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ABSTRACT

A study of the changing nature of skill requirements in sales and marketing occupations in Great Britain included a review of literature and 17 interviews with key sales and marketing contacts and managers and human resource professionals in large companies during Autumn 1996 and Spring 1997. Results were reported in the following areas of study: (1) the characteristics of the sales and marketing work force; (2) drivers of change; (3) skills required for sales and marketing occupations; (4) resourcing sales and marketing positions; (5) skill gaps and recruitment difficulties; (6) training and development; and (7) career progression. The study concluded that roles within sales and marketing are changing and increasingly demanding higher level skills. Therefore, it is important that education providers understand the needs of business to ensure that the training they provide is compatible with those needs. In addition, more thought should be directed to developing clear career paths for sales and marketing occupations so that more candidates with higher qualifications can be attracted into the field. (Contains 56 references.) (KC)

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Executive Summary

Introduction

The Department for Education and Employment commissioned the Institute for Employment Studies to undertake a programme of research entitled the Skills Review Programme. The aim is to explore the changing nature of skill requirements within key occupational groups in the UK. This report presents the findings of the study of sales and marketing occupations.

The study included a review of existing literature, and 17 interviews with key sales and marketing contacts, and managers and human resource professionals, in large employers. The fieldwork primarily consisted of two key stages: a preliminary stage of exploratory interviews, followed by a principal stage of employer interviews. The majority of the fieldwork was undertaken between Autumn 1996 and Spring 1997.

The characteristics of the sales and marketing workforce

- In broad terms, marketing is concerned with ensuring companies provide what consumers want to buy. It has a role in identifying the needs of current and potential customers, and developing new solutions which can fulfil those needs, as well as drawing up a strategy to sell an organisation's products or services.
- The role of selling is to sell what the company provides, by calling in prospective business, selling orders, and building up relationships with customers.
- The specific occupations covered by the survey were: marketing and brand managers, field sales, key account managers, sales managers, and telesales.
- It is estimated that just under one million people are employed in Great Britain in our defined group of occupations. The early

1990s saw some growth in the numbers employed, the majority of which has been in sales and marketing management, and telesales. The number employed as sales representatives has been falling.

- Sales and marketing management, and field sales occupations, are male dominated. In contrast, telesales employs a high proportion of women.
- Most employees in sales and marketing occupations are aged between their mid-20s and mid-40s.
- Self employment and freelance working have been identified as a feature of sales occupations — approximately one-fifth of those working in sales nationally are self employed.

Drivers of change

Sales and marketing occupations have been affected by considerable changes in recent years, and change is continuing to play an important role. As competitive pressures, both national and international, are increasing, and customers growing more powerful and sophisticated, organisations are having to develop their sales and marketing strategies, in order to remain competitive. In line with these competitive pressures, a variety of organisational responses have been adopted:

- introducing technology
- changing organisational relationships with customers
- shifting away from functional marketing
- developing the role of key account management, sales management and telesales roles
- adjusting compensation strategies for sales people, and
- changing the culture and working practices of their organisations.

Skills required for sales and marketing occupations

Not all sales and marketing roles require the same skills to the same level. However, the main skills and abilities needed for sales and marketing occupations can be summarised under the following headings:

- **Key Skills**: which have been identified by the National Council for Vocational Qualifications as important in every area of work, training and learning: communications skills, application

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Sales and Marketing

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of number, IT skills, problem solving, and improving own learning and performance

- **occupation specific skills**: customer service skills, selling skills, negotiating and influencing skills, analytical and decision-making skills, management skills
- **areas of knowledge**: understanding of the business environment, product knowledge and financial awareness, and
- **personal skills**: drive and energy, adaptability, resilience and determination, confidence, creativeness, and an ability to learn and absorb knowledge.

Many of the organisations participating in this study felt that the impact of changes, such as intensifying competition and increasingly demanding customers, was a requirement for higher level skills, not necessarily different ones. However, a number of particular areas were identified where levels of skill were heightening. These included: IT skills, a greater emphasis on building relationships with customers in sales, greater business acumen, high level selling and customer service skills, a greater understanding of company goals and objectives, team working, analytical skills and an ability to identify opportunities.

Resourcing sales and marketing positions

- The source of recruits into sales and marketing roles clearly depends upon the level and type of appointment being made.
- The proportion of graduates recruited to entry level marketing occupations has traditionally been high, and their recruitment is becoming increasingly common.
- There is also growing graduate recruitment into sales positions. This is reported to be associated with the levels of skill required to deal with increasingly sophisticated and powerful customers.
- Product and service knowledge is one reason given for recruiting sales people from the internal labour market. There is also some internal movement between sales and marketing occupations.
- External appointments are made at all levels, but cross- sectoral movement is limited, particularly at more senior levels of both sales and marketing. However, some employers are widening the pool of potential recruits to industrial sectors other than their own, and to their customers.
- Qualifications, personality, work experience, and track record, all play an important role in the selection process. The relative

importance of each depend on the level and nature of the job being entered.

- Our respondents use a variety of selection techniques, such as structured interviews, assessment centres, tests and group activities. Applicants tend to be assessed against a stringent set of criteria. Many of the organisations, particularly when recruiting to sales positions, are also assessing the suitability of people on the job, either through a probationary period or on an on-going basis.
- In response to changes in the levels and range of skills required, skill requirements are being more closely specified and selection tools developed.

Skills gaps and recruitment difficulties

Respondents reported a number of areas where they felt skills were lacking among their existing sales and marketing workforces.

- Within marketing, the ability to be visionary and have the flair to identify new opportunities, influencing skills, analytical and project management skills, are some of the mismatches identified.
- Skills gaps in sales are primarily associated with business understanding and acumen, customer service skills, proactive selling skills, and essential personal qualities such as empathy and ego drive.
- As recruitment tended to be low among participant organisations, recruitment difficulties do not appear to be causing major problems.
- Employers have no difficulty attracting the required volume of graduate applicants. However, leadership, decision making, interpersonal and communication skills, are some of the skill areas identified as lacking among graduate recruits.
- The image of sales work is viewed as something which restricted the ability of employers to attract the highest calibre recruits.

Training and development

The nature and content of training clearly varies with the occupations included in this research.

- In the sales area, there appears to be a substantial amount of investment in training, both initially and on an on-going basis.

Sales training covers a number of areas, such as selling skills, product knowledge, and new technologies which are continually updated in line with changes in the market place.

- The large employers surveyed provide fast track training programmes for their graduate entrants. These schemes cover both generic management skills as well as specific marketing and selling skills.
- Respondents use a full range of methods to deliver training, depending upon the nature of the training provided. These include in-house training departments, open learning materials, on the job coaching, internal exchange of experience, and external training suppliers.
- All respondents have formal appraisal systems, and individual training needs are identified through regular performance reviews.
- Identification of training needs also came about through things like skills audits, and as a response to regulatory or product changes, or arising from feedback from customers.
- Some employers are adapting to the changes impacting upon marketing and selling by developing new approaches to training. These include involving customers in the training process, and providing more flexible training programmes to suit different learning styles and needs.
- Within sales, the lack of a nationally recognised professional qualification is clearly a concern among respondents.
- Sales NVQs are beginning to be used by employers more widely. Sales qualifications are also being developed by the professional sales bodies.
- A range of marketing qualifications are offered by the professional institutes, but our research findings suggest that employers are generally not pushing marketing NVQs.

Career progression

Career routes vary according to sector.

- Within the fast moving consumer goods sector, there is little movement between selling and marketing.
- Within the business-to-business sector, selling and marketing are beginning to merge. This is opening up opportunities for sales people to move into roles such as key account, business development and relationship management.

- Within marketing, typical promotional routes include stepping from one well-known employer to another. Another common route is to move into marketing, advertising and direct marketing agencies.

In relation to career progression, a number of issues were raised by respondents.

- The lack of a structured career path for sales people is seen as inhibiting the ability of employers to attract high calibre entrants.
- Opportunities for those working in telesales roles to move into face-to-face sales are being limited, both by the expansion of telesales and the reduction of field sales. Telesales tends not to be viewed as a career job, but there are opportunities to move on from telesales into areas such as complaints handling and customer services.
- On the marketing side, some respondents were concerned about the lack of marketers who are promoted into senior management positions.

Concluding comments

Roles within sales and marketing are changing and increasingly demanding higher level skills. Marketing and sales people having these skills is critical, in that effective sales and marketing has a major influence upon the competitiveness of UK businesses. The research has raised a number of issues in relation to obtaining these skills.

- Employers are recognising the need to develop a marketing culture within organisations. With this, customer service and selling skills are becoming a major skill area for employees, not only for those employed directly in sales and marketing. Employers are therefore looking for ways to graft selling onto a wider range of roles and functions.
- There is an issue with attracting and retaining the recruits into sales and marketing with the required quality and combination of skills. It is important that education providers understand the needs of business to ensure that the training they provide is compatible with those needs.
- The research has found that a significant amount of investment is made by employers into sales training, in comparison with other occupations. However, there is a recognition that UK employers still have some way to go in terms of both the quality, and the amount of sales and marketing training provided.

- There is also a concern that a lack of a clear and known career structure is impeding the ability of employers to attract the required calibre of employees. The research suggests that there remains a need to develop a career strategy and make the career options within sales and marketing more widely known.

1. The Sales and Marketing Study

1.1 Introduction

The Department for Education and Employment commissioned the Institute for Employment Studies to undertake a programme of research entitled the Skills Review Programme. The aim is to explore the changing nature of skill requirements within key occupational groups in the UK. This complements other work conducted by, and for, the DfEE which reviews broad trends in the occupational structure of the workforce. The Skills Review Programme involves conducting a series of eight occupational studies, covering the main Standard Occupational Classification (SOC) groups (with the exception of the routine and unskilled occupations). The key focus is on the skills required by employers and how these requirements are changing. Each study is, however, broader than this, exploring aspects of training and recruitment, as well as any issues which are particularly relevant to individual occupations.

This report presents the findings of the study of sales and marketing occupations. The changes affecting these occupational groups are examined.

1.2 Aims and objectives

Each occupational study addresses a number of common research questions:

- What is the nature of skill requirements for the occupation?
- Have the nature and level of skill requirements changed? Are the skill requirements increasing or decreasing? Are 'new' skills emerging and some 'older' skills disappearing?

- Which sorts of skill requirements are increasing and which are decreasing? Which are emerging and which are disappearing?
- Have the skill levels of the workforce changed to accommodate these changes? Or, have there been improvements in the supply of skills that have encouraged increasing skill requirements in jobs?
- Are the skill requirements for occupations likely to carry on increasing or decreasing? Do employers view change as a continuing trend?
- How can changes in skill requirements within occupations be measured?

Marketing and selling occupations are an important group to include in the programme because:

- they are the interface between the production of goods/ services and the customer, and constitute a crucial element in achieving business competitiveness.

  'Good products and services do not sell themselves, and the inability to sell its services or products is the single biggest reason that companies go into liquidation.' (Denny, 1996)

- it is an area where anecdotal evidence suggest that there is some dissatisfaction with the performance of the workforce
- they are a relatively new profession and have been relatively un-researched
- they constitute a significant segment of the UK's labour force.

The remainder of this chapter sets out the details of the research design adopted for this study of sales and marketing occupations.

1.3 Research methodology

Examples of UK based approaches are given in Boxes 4.5, 4.6 and 4.7.with key sales and marketing contacts, and managers and human resource professionals in large employers. The fieldwork primarily consisted of two key stages: a preliminary stage of exploratory interviews, followed by a principal stage of

employer interviews.[1] A seminar was then held with participants to discuss the findings.

1.3.1 Exploratory interviews

Before progressing with the main fieldwork for the study, some preparatory fieldwork was undertaken as a preliminary stage to the research project. This involved meeting with key contacts concerned with the skills and training of the sales and marketing workforce, and holding a number of exploratory interviews. These contacts primarily included:

- DfEE representatives, responsible for this occupational area
- representatives from a number of the sales and marketing professional bodies, Industry Training Organisations (ITO) and/or Lead Bodies (LB) dealing with the development of skills and training of this occupational group. These representatives included organisations such as the Chartered Institute of Marketing, the Marketing Council, the Marketing Standards Board, the Marketing Society, the Sales Qualifications Board, and the Institute of Sales and Marketing Management. We also contacted a number of university departments, recruitment consultancies and training providers, who were able to provide information and research relevant to the study.

These exploratory interviews were conducted to fulfil a number of objectives:

- As key actors within sales and marketing occupations, it was felt they may provide useful information to guide the principal part of the study, and would assist in the development of a preparatory framework for analysing employers' skill requirements.

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[1] The sampling procedure for this study should be borne in mind in interpreting the report, as this has undoubtedly affected the slant of the findings. It has been the intention of the study to examine the extent and range of changes impacting upon sales and marketing, and their implication for skill requirements. However, as the size of the sample is small (*ie* only 17 respondents), the research has tended to focus upon sales and marketing occupations within large blue-chip companies. Given the complexity of the occupations surveyed and the lack of previous research, the study has clearly not been able to cover all sales and marketing occupations in all types of organisations. This should be noted at the outset of this report.

This in turn was intended to guide the course of the discussion about skills in the subsequent interviews with employers.

- To explore the contacts' involvement in the development of the occupational standards for sales and marketing occupations, and to probe their views, not only about the standards and associated NVQs/SVQs, but also any broad trends or significant developments within the occupations.
- To inform them about the study and to gain their interest, general views and support.
- To identify what research they have, are aware of, or are planning to undertake about the occupational group.
- To increase our own understanding and familiarity with the occupational area, its key skills and relevant occupational standards.
- To help identify employer contacts to be interviewed.

The majority of these exploratory interviews were conducted during autumn/winter 1996. Information from these interviews was supplemented with research evidence collected from a literature review of the occupation. Both these sources of information were employed to develop the preparatory framework for looking at employers' skill requirements and the employers' interview discussion guide. It must be emphasised, however, that whilst the NVQ occupational standards were reviewed during the study, there was no attempt to test or validate the standards. The overall aim of the research was to explore employers' skill requirements in sales and marketing and how these have changed.

1.3.2 Employer interviews

The main stage of the research involved in-depth interviews with a number of major employers employing staff in sales and marketing roles. Attempts were made as far as possible to ensure that interviews were conducted with the most appropriate respondent within each organisation. This was either a personnel, training manager, sales, or marketing manager, who was aware of broad developments across the organisation in sales and marketing occupations, the skills which are required in them, and the training and recruitment practices feeding them. Outlines of the interview were provided to interviewees prior to the interviews to assist them in any interview preparation. Most interviews lasted about one and a half to two hours.

The discussion guide

A discussion guide was developed to provide the basic structure for each occupational study. This was piloted in the first few interviews. As with earlier occupational studies in the Skills Review Programme, the guide was found to be quite long and thus some areas had to receive less focus than originally planned. As a means of conserving time, this often meant less detailed information was collected on some of the characteristics of the occupation, including exact numbers and breakdowns of those employed, and their terms and conditions.

The discussion guide covered a number of areas. These included:

- background about the company
- the place of sales and marketing occupations in the company
- changes affecting the company in general, and sales and marketing in particular
- the skills and abilities required of those employed in sales and marketing roles, and how these are changing
- how these skills and abilities are identified and measured
- external recruitment
- internal movement, and training and development
- key issues for the future.

The majority of interviews were conducted between January and March 1997. All research participants were invited to take part in a forum where the research findings were presented and discussed. Suggestions and comments from the forum were incorporated within the final report.

The sample

Employers included in the study were selected to represent a wide range of employers, spread across a broad range of industrial sectors. These included car manufacture, pharmaceuticals, wholesale of electrical goods, banking, financial services, publishing and retail sector employers. Although the study was intended to be exploratory and indicative, rather than entirely representative, it is hoped the inclusion of a wide range of organisations has gone some way to capturing the diversity of employer experiences.

1.3.3 Discussion of the findings

A copy of the draft report was sent to participants of the study, with an invitation to attend a seminar to discuss and review the findings. This provided an opportunity for respondents to collectively contribute to the research and share in its results. The discussion was interesting, and helpful in enriching the quality of the information collected.

1.4 Structure of the report

The rest of this draft report is structured as follows:

- Chapter 2 provides some basic background information about sales and marketing occupations, and the structure of employment. It goes on to explore the nature of recent changes which have impacted upon the occupations, and the skills required of the workforce.
- Chapter 3 explores employers' skill requirements, how these are changing, and emerging issues.
- Chapter 4 looks at entry points into the occupations, how employers recruit into sales and marketing roles, and recruitment difficulties.
- Chapter 5 reviews current practice in the content and delivery of training, and the career development of those working in sales and marketing occupations.
- Finally, Chapter 6 raises some issues affecting this occupational group, and draws some conclusions.

2. Sales and Marketing Occupations

2.1 Introduction

This chapter sets the background for our examination of employers' skill requirements, and in particular the ways in which these are changing. The first section provides a summary of the characteristics of the sales and marketing workforce and briefly outlines some overall employment trends. In this discussion, the key differences between sales and marketing occupations are identified. Later sections explore the nature of changes impacting upon sales and marketing occupations. There are a number of broad themes which were common to most organisations, regardless of the sector of the market in which they operate. These are detailed below and include increasing competitive pressures, technological change, changing organisational relationships with customers, and working practices.

2.2 The role of sales and marketing

In studying sales and marketing as an occupational group, first it is necessary to define the occupation and generally describe the tasks in which those working in the occupations may be involved. For the purposes of this study, the sales and marketing occupations of interest have been defined as:

- sales and marketing managers
- sales representatives
- telesales occupations.

One of the areas of interest in this study was the extent to which these occupations form a chain of employment, with a logical flow through the occupations. As it stands, the chain constructed

is relatively short. It excludes buyers, brokers and sales assistants, the latter having been researched as a separate occupational category in the Skills Review Programme.[1]

Our definition contrasts with other broader definitions of the marketing and selling role of some of the organisations representing these professions. For example, the Marketing Society defines marketing as: 'any activity which creates customer satisfaction, or helps to anticipate and satisfy customer needs profitably'. Similarly, the Chartered Institute of Marketing includes international trade, merchandising, purchasing and supply, and customer services, in their definition of marketing and selling, as well as specialist functions such as PR, market research and advertising. Furthermore, with an increased focus on customer needs, many organisations are converting to the philosophy that all employees are involved in sales or at least interface with the customer. However, in this research, we focus on what we have defined as core marketing and selling occupations.[2] We outline the tasks in broad terms in which they are involved, in the following sections. Later in this chapter, and in Chapter 3, we discuss how these roles are changing.

2.2.1 Marketing

The fundamental role of marketing has been defined as the management process responsible for improving goods and services, finding out what customers want and selling it to them:

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1 *Trading Skills for Sales Assistants*. Dench S, Perryman S, Kodz J, IES Report 323, 1997.

2 It may appear that the cut-off point of occupations included in our definition of sales and marketing roles is somewhat artificial. We are aware that fields such as direct marketing, market research, communications, advertising and PR, form an integral part of the sales and marketing career distribution. Furthermore, there are many important changes affecting these more specialist functions and their skills requirements. These in turn are impacting on what we have defined as 'core' sales and marketing occupations. We have made reference to such issues where they have been raised by our respondents, but it must be emphasised that this report by no means attempts to provide a comprehensive discussion of these roles.

'. . . or, in other words, acting as a go-between for the person who manufactures a product and often the retailer who sells it, as well as the customer who finally purchases it.' (Taylor, 1989, p.10)

In broad terms, marketing has been defined as having two key roles (Ridgwell, 1995 and Doyle [1], 1997):

- firstly, identifying the needs of current and potential customers, prioritising and understanding customer needs, and developing new solutions which can fulfil those needs. It aims to attract and retain customers not only by ensuring that the company provides what the customer wants to buy but also by anticipating these wants (*eg* through innovation in products which transform markets, like the Walkman), and
- secondly, drawing up a strategy and set of techniques to sell an organisation's products or services, which involves choosing target customers, designing methods to persuade them to buy, arranging the appropriate distribution of products or services, and increasing customers' awareness.

A traditional marketing department of a large company comprises a marketing director with overall responsibility for marketing, product planning, advertising, promotion and market research (Taylor, 1989). Marketing managers are responsible for market research, forecasting, new product development, product management, pricing policy, budgeting, distribution, advertising, sales promotion and PR. Reporting to marketing management, there are generally a number of brand managers, particularly in consumer marketing. The seniority of the brand managers depends on the size and number of brands they were responsible for. Marketing assistants and support staff within the marketing department assist on brands or groups of brands.

However, there is no longer a typical marketing department. For instance, the structure of the marketing function may vary with the size and sector of the company. In many senses, different trends are occurring in the fast moving consumer goods (FMCG), to the business to business sector. Where employers are selling business to business, marketing and selling roles are merging with the emergence of key account (see Section 2.2.3) and business development management roles. In contrast, within the FMCG sector, marketing and selling remain separate and there is more likely to be a traditional marketing department. In Section 2.6 we consider in more detail these changes occurring. Now we turn to consider specific roles within marketing.

For many of the large employers interviewed for this research, brand management had a key role to play. The tasks with which brand managers are involved are outlined below.

Brand management

The brand or product manager deals with all the marketing functions for a particular product or group of products. They are the primary advocate for the brand, responsible for its overall performance. One respondent described brand managers as:

> *'. . . brand ambassadors — they live for the brand.'*

The key role of brand managers is to gain market share, improve profitability, rejuvenate declining brands and develop new ones. As outlined in the information given to recruits by one of our respondents:

> *'It's your job to make sure that what the brand offers is clear and motivating.'*

Brand managers work with in-house and external specialist functions, such as PR, direct marketing, advertising and design agencies.

Typical tasks of brand managers include:

- product and service strategy, management and development:
  - formulating product and market strategies, producing annual marketing plans
  - analysing product and customer profitability, reviewing pricing and generating options
  - generating and managing, new/old product and service developments
- product, market and customer information:
  - identifying the need for, commissioning and interpreting market research programmes
  - identifying, monitoring and analysing product, market, customer and competitor intelligence
- marketing communications:
  - planning effective marketing communications campaigns
  - managing creative agencies

- designing and implementing direct mailings, telephone marketing programmes, TV, radio and press campaigns
- evaluating effectiveness of campaigns
- implementing and managing PR.

One of the respondents to the survey was dividing the brand management role into communications management and product management. The communications manager is responsible for managing the communication of the brand to the customer, and the product manager for developing the product.

Direct marketing

Direct marketing is an area which is growing in importance, although it was not covered in depth by this research. It is a cost effective and targeted approach to marketing, using media such as mailings, coupons, advertisements and catalogues. Databases are developed so that sales can be targeted more effectively within well-defined parameters.

2.2.2 Selling

Selling has been defined as 'a tool of marketing and part of the wider promotion and distribution strategy' (Cooper, 1996, p.50). Whereas marketing is concerned with ensuring companies provide what consumers want to buy, the role of selling is to sell what the company provides (Waite, 1993).

As one of the respondents outlined, the role of sales is to maximise brand potential through effective business relationships with customers. Another defined the function of sales as calling in customers and prospects in a designated area, selling orders and encouraging use of the company. Sales people assess the characteristics of the product and decide on the main selling points, and also stay abreast of advances in the product field.

Within sales, the main roles covered by our research were sales management, key account management, field sales and telesales, the functions of each are outlined in turn below. However, it should be noted that as with marketing, the roles within sales vary according to the sector and the size of the employer. Within the business to business sector, new roles are emerging in key account and relationship management. The focus is upon

building up long-term relationships with customers. In contrast, large FMCG employers are more likely to have traditional field sales forces.

Sales representatives

For the purposes of this research, we define sales representatives as those conducting face-to-face sales, either business to business, with the retailer or the end consumer. Tasks in which such field sales people are involved include:

- developing and maintaining customer contacts, including verification of customer satisfaction and repeat orders
- discussing clients' requirements and providing advice on the characteristics of the product
- arranging prices, payment and delivery. (OPCS, 1990)

To provide an illustration of a sales person's work, previous research has identified how working time is spent, reporting that: 35 per cent of the working day is taken up by travelling, 31 per cent on client contacts, 17 per cent on quotations, 16 per cent on administration, and one per cent on service work. It was found that face-to-face selling accounted for as little as ten per cent of a sales person's time (Sales Qualification Board, 1993).

Clearly, the nature of the product being sold has an influence on the sales person's role. Property sales, for example, involves advising both vendors and purchasers, making inventories of items for sale, auctioning and recording sales. In consumer sales, sales people are generally responsible for a geographic area, and they have a role in both servicing existing customers and prospecting for new ones. Each sales person plans visits with the objective of how much of the product can be sold, working towards targets laid down by the sales manager (Waite, 1993). Industrial sales people selling capital equipment, have more of a role as a technical consultant, providing ongoing technical explanations and advice. As such, product type has an important influence on the degree and nature of knowledge, skill, and technical expertise required.

Sales management

Regional sales managers are responsible for a sales team in a geographic area, with a role in monitoring and assessing perform-

ance and training. The sales manager has responsibility for linking the work of the sales team and the rest of the company, liaising closely with marketing management on overall strategies (Waite, 1993).

The critical job requirements for a sales manager are related to the development and management of others, in particular the ability to oversee, co-ordinate and lead a team. The representative's role, on the other hand, revolves around developing relationships with those outside the organisation, as well as managers and peers. The location of the work also differs from field sales — the representative working alone, while the sales manager is more centrally based. Representatives have an individualist profile whereas the sales manager enjoys responsibility for the efforts and actions of others, and as such has responsibility for sales planning and strategy.

Key account management

Key account managers are the most in demand and the highest paid of all sales people (Sales Qualification Board, 1996). They are viewed as having the top, professional role in sales. As we have noted, the role is growing in importance within the business to business sector. Key account managers look after the sales activity of a number of accounts which provide significant business value. They have responsibility for the development and maintenance of the accounts under their control. As well as negotiating the sale of goods and services, their role is to develop long-term relationships with a portfolio of customers. They are the main representative of their organisation. Part of their job is to provide on-going technical support and customer service. Key account managers also contribute to and develop sales strategy and plans.

Telesales

As with field sales, the role of telesales varies according to the product being sold, the approach of the employer and the use of technology, such as e-mail. Traditionally, employers with field-based sales forces have viewed telesales as a low level, low status operation. The role is restricted to taking orders, making appointments for field sales people, or handling enquiries. Telesales people are commonly based in large call centres and the method in which they handle calls highly specified, tightly controlled and closely monitored.

> *'With rows of operators crammed together in front of computer screens, using highly standardised procedures, call centres have been likened to production lines, or even to battery farms.'* (Arkin, 1997)

It has been reported that the more tightly controlled the environment is, the higher are stress levels experienced by the workforce, and the higher is staff turnover.

However, some new trends are beginning to emerge and it seems likely that in future there will be some movement away from these factory-style operations in certain sectors. Call centres are emerging as marketing as well as sales tools, in particular for direct marketing. Another new trend is a shift towards telephone-based selling, whereby all stages of the sales cycle are conducted over the telephone, and to an increasing extent, complemented by technologies such as e-mail (Siragher, 1996). As such, the role involves call preparation and prospecting, introductory calls to gather information, relationship building, sales presentation, closing, receipt of orders, and documentation. As one respondent explained, it is clearly a less expensive method of conducting sales, but how it is used depends on the complexity of the product being sold:

> *'It has to be simple and straightforward; a finite range of products — so that it can be got across to the customer in five minutes flat.'*

Telephone-based selling tends to have been restricted to certain sectors such as telecommunications, but employers in other sectors are also developing the role for the sale of simple or small products, such as stationery. For example, one of our respondents who had traditionally used telesales people for taking orders and 'at the better end' building orders, *ie* selling complementary goods or add-ons, was beginning to use senior telesales people for prospecting, *ie* cold calling to encourage people to do business with the company. However, as one respondent outlined, capital goods are unlikely to be sold over the telephone because: 'the professionalism of the organisation is judged through the sales person sitting in front of you'. For large-scale investments such as the purchase of software systems, the relationship between the customer and purveyor of the goods is all important.

2.3 Trends in employment

In this section we briefly consider the size, and hence significance, of the occupation in the labour force. We provide a short summary of the overall levels of employment and recent trends, both nationally and within the organisations visited.

2.3.1 Overall levels of employment

It is estimated that 970,000 people are employed in Great Britain in our defined group of occupations: marketing and sales managers, technical and wholesale representatives, and other sales representatives and telesales (*Labour Force Survey*, Winter 1996/97). Any attempt to quantify the numbers employed in sales and marketing clearly depends upon the range of occupations included. The CIM, with a wide definition of marketing, estimates that one million are employed within marketing occupations.

Labour Force Survey data show that the numbers employed in sales and marketing occupations increased by 19 per cent between 1991 and 1996 (Table 2:1). The majority of this job growth has been in sales and marketing management and telesales. In contrast, the number employed as sales representatives has fallen.

Other research has estimated that almost half a million people are employed in sales and it is predicted that numbers will increase by nine per cent between 1991 and 2000. This is a rate of nearly twice that of the whole economy. It has been reported that even during the early 1990s' recession, many companies managed to retain a fairly stable sales force (Sales Qualifications Board, 1996).

Within sales, there have been markedly different trends occurring in the different sales roles. As we show in Table 2:1, the number employed in external sales is falling and is likely to continue to do so. However, this decline has been matched by a continued growth in senior (key account) sales managers (Sales Qualifications Board, 1993) and telesales. The introduction of automated systems for ordering products is changing the nature of the sales person's job, and is reducing the need to be out and about. External sales is expensive, incurring car, travel, meals, accommodation and telephone costs. However, although telesales is growing, respondents felt that the 'death of the field sales

Table 2:1 Numbers of sales and marketing staff

	No. employed 1991	No. employed 1996	% change
Marketing & sales managers	337,252	534,118	+58%
Technical & wholesale sales reps	274,486	242,094	-12%
Other sales reps	166,968	131,428	-21%
Telephone sales	34,383	61,991	+80%
Total sales and marketing occupations	**813,089**	**969,632**	**+19%**

Source: Labour Force Survey

person' was unlikely, particularly for the sale of capital goods. As one employer reported, there is still a requirement for more sales people and more training:

'You will never do without someone to talk about the product.'

Furthermore, the importance of selling skills will increase, with employers moving towards a company-wide customer focus. One of our respondents reported that staff across the board are being seen as part of the sales process, and as such are taking sales and customer service skills more seriously.

2.3.2 Industrial sector

Labour Force Survey data shows a concentration of sales and marketing staff in the manufacturing sector. One-third of all sales and marketing staff are employed in manufacturing, over a quarter in the wholesale, retail and motor trades, and a further 15 per cent in real estate, renting and business activities (*Labour Force Survey*, 1996/97). Although careers information studied for these occupations stresses the increasing importance of public sector marketing roles, the numbers involved are still very small.

The industrial location of sales and marketing managers and field sales were similar in pattern, although there was a concentration of sales people in the banking, finance, insurance and business service sectors. Manufacturing, distribution, transport and communication, finance and business services account for 90 per cent of people working in telesales. As outlined above, the nature of the telesales role depends on the characteristics of the product being sold.

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2.4 Characteristics of the sales and marketing workforce

An examination of the varying characteristics of the sales and marketing workforce provides an understanding of the general nature and composition of the occupational group. It also serves as a basis for the examination of changes in broad skill requirements. It has been reported that characteristics of sales people, in particular, are moving away from traditional stereotypes. For example:

> *'. . . sales people are men, drive very fast, social climb at clubs, spend a lot, "born not made", high commission low salary, renowned for "the gift of the gab" and a persistent foot-in-the-door!'* (Sales Qualifications Board, 1993)

In the following sections we consider key characteristics of the workforce and how these are changing, including gender, age, and the level of part-time and self employment.

2.4.1 Gender

Our defined occupational group is male dominated — national statistics show that over two-thirds (70 per cent) of employees in these sectors are men (*Labour Force Survey*, Winter 1996/97). This figure compares with 55 per cent of all other occupations being held by men. However, these data mask variations both within and between the chain of occupations covered by the research.

The *Labour Force Survey* data shows that over 70 per cent of marketing and sales managers and field sales people are male. There is a particularly high proportion of males in technical and wholesale sales representative roles (85 per cent). In contrast, 71 per cent of telesales people are female. With telesales traditionally being considered a low skill or low status occupation, this appears to be consistent with much of the literature. Women are more likely to work in less skilled occupations and low status work, undertaking fewer hours and receiving lower and/or more variable pay (eg Dickens, 1994; Liff, 1995).

The *Labour Force Survey* also shows that gender ratios vary according to the industrial sector in which sales and marketing employees work. A slightly higher proportion of females are employed in field selling and marketing roles within the service sector than manufacturing. This pattern is reflected in the

findings from this research. For example, 90 per cent of sales representatives employed by a wholesaler selling to the construction industry were men. The reason given for this was that technical knowledge about the products was necessary to become a sales person. The route into the job was generally through traditionally male occupations such as warehouse work or manual occupations within the construction sector. In addition, the prevailing culture of the industry presented a barrier to the employment of women in sales representative positions.

> *'It is a very male environment like the building trade, "wolf whistles" and "plumber's bum" are the stereotypes. The culture is not for females. . . . Women who succeed in sales in this company are either very male in their outlook and therefore "forgiven for being a female", or very good at their job.'*

The proportion of females employed by this organisation in telesales occupations was higher (approximately 35 per cent). The role appeared to require less customer and product knowledge and until recently primarily involved order taking rather than prospecting. An employer in the financial services sector reported that 70 per cent of their sales people were men. The reason for the low proportion of women in these roles was thought to be due to the hours of work required for the job, which involved weekends and evenings.

Another respondent reported that the proportion of women in sales roles depended on the product being sold. Pharmaceuticals was an example of a sector in which a higher proportion of women were becoming employed in sales. It was reported that there has been a move towards employing women in sales roles in traditionally male sectors such as breweries. This increase in the numbers of women employed was felt to be in association with the recognition that consultative, empathic skills are the key to successful sales. Those with the technical knowledge are not necessarily the right people to sell a product:

> *'A computer techie is not necessarily the right person to sell IT equipment.'*

However, this identified trend has not to date been reflected in the national statistics, which show that the proportion of females employed in field sales has remained stable. Although the number of women employed in sales and marketing management has increased, still only a quarter of those employed in the profession are women.

2.4.2 Age

Most employees in sales and marketing occupations are aged between their mid-20s and mid-40s. There is some mixed evidence for the youthful image of sales and particularly marketing occupations. A lower proportion (four per cent) of sales and marketing workers are aged under 21 compared with all other occupations (nine per cent). This may reflect the emphasis on graduate entry to these professions or the requirement for previous experience. However, the 22 to 42 age bands form a higher proportion of sales and marketing occupations than all other occupations. Among our respondents, the average age of sales people tended to be late 20s to early 30s. Sales and marketing managers have a slightly older age profile, suggesting progression up the chain of occupations. In contrast, telesales persons tend to be younger — almost 60 per cent are aged under 31 years (*Labour Force Survey*, Winter 1996/97).

2.4.3 Part-time work

The *Labour Force Survey* shows that over ninety per cent of sales and marketing employees work full time. However, this proportion is markedly lower for those working in telesales positions, (61 per cent) perhaps indicating a demand for a more flexible workforce in these occupations. As in other occupations, women are more likely than men to work part time in sales and marketing occupations. Almost one-third of telesales people are women working on a part-time basis (*Labour Force Survey*, Winter 1996/97).

2.4.4 Self employment

Previous research has identified self employment and freelance working as a feature of sales occupations (Massey, 1995, Bond 1996). The Sales Qualifications Board estimate that 40 per cent of sales people are self employed, although this figure may include some double counting (Sales Qualifications Board, 1993). This is because freelance sales people may sell products for several companies simultaneously. *The Labour Force Survey* shows that just under one-fifth of sales people work on a self-employed basis. This self-employed workforce includes independents in double glazing; direct selling, *eg* Avon, Betterware, Kleeneze; commercial agents; and life insurance introducers and brokers

(Sales Qualifications Board, 1996). There are very few telesales people who are self employed (*Labour Force Survey*, Winter 1996/97).

The proportion of managerial staff in sales and marketing with self-employed status is lower, at around ten per cent (*Labour Force Survey*, Winter 1996/97). However, a 'new breed' of freelance marketing specialists has been identified, who are no longer brought in just to cover sickness or maternity leave, but employed by firms who have delayered and do not wish to recruit permanent staff for special projects (Bond, 1996).

2.5 Pay and conditions of employment

Although this study did not explore in extensive detail the pay, terms and conditions offered to those working in sales and marketing occupations, it has been interesting to examine such data where available, in order to provide another source of contextual information to this study of skill requirements.

2.5.1 Pay

The examination of national pay data reveals some considerable variation between sales and marketing occupations. As shown by the *New Earnings Survey*, the average gross weekly pay nationally for sales and marketing managers was £604.40. This compares with £367.90 for sales representatives, and £244.00 for those working as telesales people. Average gross weekly pay is higher for males than females in each of these three categories.

Previous research has compared directly the remuneration of sales with marketing jobs at a similar level (The Reward Group, 1996). Although it is a commonly held belief that marketing positions are more highly paid than equivalent level sales roles, this survey found this only to be the case at director level. At all other levels, those in sales positions are paid a higher basic salary than their marketing counterparts. Sales people are comparatively well rewarded up to senior management level, but beyond this other disciplines outstrip them in earnings. Within sales, there is also considerable variation in pay between sectors. For example, research shows that sales executives of fast moving consumer goods receive substantially less than those of high tech capital equipment (Sales Qualifications Board, 1993).

It has been found that the growth of salaries among sales and marketing staff has been at a higher rate than other professions in recent years (Reward, 1996; Sales Qualifications Board, 1993). This may indicate that the job market is more buoyant in sales and marketing. Companies have become increasingly likely to recognise the value and specialist aspect of sales as a profession. Sales people are increasingly being seen as an investment rather than as a high risk gamble (Sales Qualifications Board, 1993).

Within sales roles, commission and bonuses have traditionally been a common feature of remuneration packages. For example, one respondent reported that their top sales people could earn up to £100,000 as a result of individual bonuses and performance-related pay. However, a shift away from commission-based remuneration for sales people is becoming evident. *The New Earnings Survey* shows that commission and performance bonuses formed 15 per cent of gross average weekly earnings of sales representatives in 1996, compared with 21 per cent in 1993. This comes at a time when the focus of sales people is moving away from making individual sales to serving customers and building up long-term partnerships (Wiersema, 1996). One of our respondents had moved to providing a branch bonus rather than individual bonus, recognising the importance of company goals rather than individual ones. These themes and the impact of change are developed in the following sections.

2.6 Nature and impact of change

The pace and impact of change plays an important role, influencing the nature of sales and marketing occupations, and skills required. The remaining section in this chapter identifies the key changes affecting the organisations participating in the study, as a basis for understanding changes in skill requirements within the occupations.

2.6.1 Factors of change

A number of themes can be traced in relation to the factors of change and responses to such change:

- the nature of competition
- the nature of customers
- technology

- organisational relationships with customers
- working practices.

Each of these will be addressed in turn.

2.6.2 Changing competition

During the 1980s and 1990s, British employers have come under increasing pressure to change their approaches to business and management (Sisson, 1994). The liberalisation of product markets, and changes in world trading patterns, have tended to increase both the level and extent of national and international competition. This process of internationalisation has had a number of causes (Moyne, 1995):

- the economic downturn limited opportunities for growth in home markets
- newly industrialising countries offered lucrative markets
- European market and political changes have also facilitated cross border trading, and finally
- the emergence of international trading blocs have given an impetus to firms to establish a presence in these markets.

These processes have been accelerated by the decline of regulatory barriers and by technological advances, which have affected financial services, telecommunications, the media and power utilities, in particular (Mac Hulbert and Pitt, 1996). As business becomes globalized at every level, and industrial capacity increases, companies throughout the world are looking for enhanced competitive advantage. Many organisations are diversifying and implementing change programmes to keep ahead of the competition. The major British supermarkets, for instance, are desperate to build up the biggest customer base (Karpf, 1997). They are no longer just food stores, now selling toys, providing doctors' surgeries, and financial services such as savings accounts, mortgages, pensions, car, home and life insurance. The pressure to innovate and diversify is increasing, but the task is becoming more difficult.

In many industries, as quality and price reach parity, the selling and marketing role is crucial. As one respondent reported:

'There are fewer opportunities to be made in terms of price — prices have been driven down as low as possible. In the end we compete on service.'

In response, this company was concentrating on 'upskilling' its sales force and recognised the increasing importance of customer service. In line with this, recent research has shown that the effectiveness of company sales forces has a major influence on top-line (sales) and bottom-line (profit) performance. Recruitment and development of the sales force were among the critical differences between more and less effective sales organisations (Piercy and Cravens, 1997).

2.6.3 Changing nature of customers

It has been reported that the power of customers has grown exponentially (Mac Hulbert and Pitt, 1996). For instance, in the FMCG sector, aggressive competition has led to increased choices for customers, who are at the same time becoming ever more sophisticated. This increasing power of the customer is occurring in all markets. As the population is shifting to an older profile, suppliers are dealing with more experienced buyers (Mac Hulbert and Pitt, 1996). Consumers are more demanding and discerning, and more likely to know their rights. Expectations of reliability and quality are also increasing:

'Customers continue to raise the level of their requirements, but their range extends beyond best price and best product. Now more than ever, customers hunger for results — superior results — from the products they use.' (Wiersema, 1997, p.14)

As consumers are presented with a greater choice, their specifications for a product or service become ever more sophisticated.

In the business to business sector, rationalisation in many industries has reduced the number of buyers, increasing the purchasing power of those that remain. Two sectors studied for this study have been particularly affected by changes in the nature of their customer base: the food and pharmaceutical industries.

Changes in the food retailing industry, with fewer and larger stores, has led to the centralisation of the purchasing function. Retailers have become more sophisticated, and in Britain operate one of the most advanced trading environments in the world.

This has affected how food suppliers manage their business, no longer selling to chains of small shops, but large supermarkets. Account managers now have to deal with senior buyers, and the sales role is increasingly challenging.

Within the pharmaceuticals industry, the increasing centralisation of drugs purchases has meant that sales teams who previously sold to independent doctors, now have to deal with NHS managers, groups of doctors and health authorities. The requirements of their customers are also changing. Doctors and fund holders are now much more aware of the cost of the products being prescribed. Patients are also demanding more integrated solutions to their disease, increasing the demand for education to help understand the disease and the self-management of illnesses.

2.6.4 Technology

Technological change operates on two aspects of sales and marketing work. Firstly, the products which are designed, marketed and sold change in nature, and a resultant shift in the demand for and appropriateness of certain skills and methods of sales and marketing has been observed. Secondly, the way in which sales and marketing staff conduct their work also changes, often by making increased demands on information analysis abilities.

When considering product markets, previous studies have suggested, for instance, that high technology goods and markets were increasingly important and valuable (Bissell, 1995 and Clark, 1994). As a result, marketing and sales executives need to be fluent both in technology as well as in marketing and selling. Taking the example of the personal computer market, sales which were previously business to business are now increasingly being sold direct to customers, impacting upon relationships with customers and the nature of marketing and selling strategies.

In terms of the way in which sales and marketing staff conduct their work, new technology has started to have an impact. Sales and marketing was described by one respondent as:

> *'The last bastion where technology has not invaded.'*

Information systems are being introduced which provide data on individual customers and the history of their transactions with

the supplier. Through the analysis of such data, marketing and selling activities can be more effectively targeted and future business better predicted. For example, supermarket loyalty cards enable retailers to gather information on their customers and tailor products to suit customer preferences. For sales forces, electronic territory management systems are beginning to be introduced to provide access to data which can enable sales people to get in front of the right person, with the right frequency, with the right message (Roots, 1997). In future, the market place will increasingly be driven by technology, with the use of interactive television, customer databases and electronic interactions with customers.

One of the respondents to this study had recently introduced a computerised stock management system. As a result, sales jobs were now computer based rather than paper and telephone oriented. The impact of the system had increased the speed in which quotes could be generated, reducing the chances of the customer going elsewhere in the meantime, and thus increasing the chances of closing the sale. It had also changed the attitude of sales people to their customers:

> *'If they did not have the product in their branch, before they may have said "no — try Blackpool". Now they say "yes, got it, we'll have it for you tomorrow".'*

Mobile office equipment has also reduced the need for sales people to work from a fixed location. Mobile phones, a portable computer and a data card to connect with the company stock database, mean that sales people can work more flexibly and manage their business from a briefcase. As outlined above, technologies such as e-mail have increased the extent to which telephone-based selling is used in certain sectors.

2.6.5 Regulatory changes

Sales and marketing is becoming more regulated. There are regulations governing how companies are able to conduct sales, for example, stipulating when telesales calls can be made and what can be said. Controls in financial selling have meant that financial planning managers need to be trained to a recognised standard. Food sales people need to understand hygiene regulations. Those operating in marketing roles need to be aware of data protection issues and codes of practice.

2.6.6 Organisational responses to change

In line with these competitive pressures, and mirroring the introduction of new technologies, respondents talked about the changes they were making to their working practices. These included changing organisational relationships with customers, the demise of functional marketing, the development of the key account management role and telephone-based selling, changing compensation strategies and management strategies. Each of these responses is discussed in turn below.

Changing organisational relationships with customers

In association with the increasing power and, in many sectors, the reducing number of customers, companies are developing new relationships with their customers, based upon a partnership approach. As major customers are reducing the number of their suppliers and pursuing a leaner supply chain, pressure is increasing to become the preferred supplier (Piercy and Cravens, 1996).

Sales forces are shifting towards 'customer intimacy', abandoning an 'us versus them' mind set, whereby manipulative techniques are employed and the relationship with the customer is viewed as a one-way sales opportunity. Instead, they are shifting towards understanding the customer and focusing upon a collaborative and sustainable customer relationship (Wiersema, 1997; Piercy and Cravens, 1997). Research has shown that a focus upon developing and fostering customer relationships is one of the critical differences between more and less effective sales organisations (Piercy and Cravens, 1997). It has also been reported that the most successful companies are those that have an understanding and are closest to their end consumers (Doyle, 1997 [2]).

'Customer intimate' companies are focusing upon seeking ways to providing complete solutions to customer needs and identifying latent demand rather than just expressed needs. As the chief executive of 3M has been quoted: 'the most interesting products are the ones that people need but can't articulate that they need.' (Burkan W, 1996). A number of approaches to becoming closer to the customer have been outlined in the literature, such as market research, whereby employees are exposed to customer inputs, participant observation of customers, and recruiting customers to sales and marketing roles (Mac Hulbert and Pitt, 1996; Wiersema, 1996).

The demise of functional marketing

A shift away from functional marketing has been identified. Research has shown that one in five companies do not have a specialist marketing function (Sales Qualifications Board, 1993). We outlined in Section 2.2 that a key role of marketing is to prioritise and understand customer needs and develop new solutions to meet them. For many companies this is no longer seen as a problem to be tackled by the marketing department alone, but one which should involve the whole organisation (Doyle [1], 1997). Doyle reports that companies such as Marks and Spencer, and Hewlett Packard, view marketing as too important to leave as a specialised activity. Companies such as these take the view that every employee's task is marketing, so that the whole organisation is market focused. For one car manufacturer to compete with another involves engineering new models, developing manufacturing processes and working practices, and restructuring dealerships (Doyle [1] 1997).

As competition intensifies and moves beyond the product and brand to value in terms of things like speed, reliability and service support, traditional marketing can no longer control all elements required to satisfy the customer. Capability based marketing, rather than functional marketing, will move the whole company closer to the customer (Mac Hulbert and Pitt, 1996, pp. 52-53).

In a post-functional structure there is still a role for a core group of marketing specialists with a broad strategic focus, but most traditional marketing activities are conducted elsewhere in the company. A range of post-functional organisational structures have been identified in the literature (Mac Hulbert and Pitt, 1996):

- *Inclusion model*: where effectively all activities report to marketing. In these structures it is difficult to say where marketing stops and operations start.
- *Market and customer based structures*: companies reorganise themselves vertically around markets and customers.
- *Process based structures*: although a functional marketing department remains, playing a strategic role in the brand management process, many of the traditional marketing activities are carried out by cross-functional process teams.

Examples of the latter two models were found among the employers surveyed for this study. It has been recognised in the literature and confirmed by our research that teamwork and

communication are the key for these structures to work satisfactorily, in order to ensure customer needs are met (Mac Hulbert and Pitt, 1996).

Some of the other organisational responses to change have been referred to in earlier sections of this chapter. In summary, key responses have been:

- **The development of the key account management, business development and relationship management roles.** With customers becoming more sophisticated in their buying approach, many of the employers visited had developed key account management and business development roles. It was reported to us that in the business to business sector, the sales and marketing functions are merging. This reflects a need for very senior players to think in terms of strategic partnerships, benchmarking and establishing customer relations at a strategic level, for example defining the relationship required with specific customers and strategies to manage customer behaviours. Key account managers have responsibility for developing long-term relationships with a portfolio of customers. As one respondent reported, the role of sales management is also changing dramatically. This respondent described a move away from traditional field-based sales management to business unit management, with responsibility for business, commercial and strategic planning, as well as the training, development, recruitment and selection of their team. They are effectively 'managing directors in their own right; they are a more complete business professional'.
- **Telesales.** Within call centres there has been a move towards multi-skilling call handlers, so that they can deal with a range of calls and products. The self management of teams is another trend emerging, providing telesales people with more autonomy (Arkin, 1997). This research also came across a number of employers who were developing the role of telesales in order to reduce cost and were increasingly moving towards telephone-based rather than face-to-face selling.
- **Marketing.** The role of brand management is being developed in line with the move to meta-brands. Also, although not specifically covered by this research, direct marketing is clearly a growth area.
- **Compensation strategy.** Within sales, there is a shift away from commission-based remuneration, reflecting the focus on building long-term relationships rather than closing individual sales. Recent research has demonstrated that by basing a higher

proportion of earnings on salary (between 75 and 95 per cent of the total) than on commission, employers are in a better position to guide sales activities and priorities towards meeting customer needs (Piercy, 1997).

- **Working practices.** Reflecting the organisational structures outlined above, a common theme among employers visited for this study was the empowerment of teams. As one respondent outlined, with the market place changing exponentially, 'the company has had to become much more responsive'. In the past, the culture of the company was described as a control and command hierarchy, uniformity, effectiveness and consistency were their strengths. Now they have got to genuinely empower big teams so they are responsive to changes in the market.
- Restructuring and delayering. Although not specifically reported by respondents to this survey, the introduction of flatter structures within organisations has had an effect on sales and marketing roles. For instance, sales people are more likely to be multi-skilled, ie sell a wider range of products.

2.7 Summary

This chapter has attempted to set the context for our examination of employers' skill requirements and the ways in which these are changing. We began by providing a definition of the occupations, with a discussion of the characteristics of the sales and marketing workforce.

In broad terms, marketing is concerned with ensuring companies provide what consumers want to buy. It has a role in identifying the needs of current and potential customers, and developing new solutions which can fulfil those needs, as well as drawing up a strategy to sell an organisation's products or services. The role of selling is to sell what the company provides, by calling in prospective business, selling orders and building up relationships with customers. The specific occupations covered by the survey were marketing and brand managers, field sales, key account managers, sales managers and telesales.

It is estimated that just under one million people are employed in Great Britain in our defined group of occupations. The early 1990s saw some growth in the numbers employed, the majority of which has been in sales and marketing management and telesales. The number employed as sales representatives has been falling.

Sales and marketing management and field sales occupations are male dominated. In contrast, telesales employs a high proportion of women. Most employees in sales and marketing occupations are aged between their mid-20s and mid-40s. Self employment and freelance working have been identified as a feature of sales occupations — approximately one-fifth of those working in sales nationally are self employed.

Sales and marketing occupations have been affected by considerable changes in recent years and change is continuing to play an important role. As competitive pressures, both national and international, are increasing, and customers growing more powerful and sophisticated, organisations are having to develop their sales and marketing strategies in order to remain competitive. In line with these competitive pressures, a variety of organisational responses have been adopted:

- introducing technology
- changing organisational relationships with customers
- shifting away from functional marketing
- developing the role of key account management, relationship management, business development management, direct marketing and telesales roles
- adjusting compensation strategies for sales people, and
- changing the culture and working practices of their organisations.

In the light of these changes, the following chapter considers the changing skill requirements for sales and marketing occupations.

3. The Skills Required for Sales and Marketing Occupations

3.1 Introduction

One of the main aims of this study was to explore the skills employers required of those employed in sales and marketing occupations, and how these skill requirements are changing. This chapter addresses these issues. The term 'skill' is used in its broadest sense here. The literature classifies skill in a number of ways. Distinctions are frequently made between technical skills required for a job; social and behavioural or personal skills (directly required for a job and/or needed for people to work together effectively); and basic skills (*ie* literacy and numeracy). Cutting across these distinctions are the divisions of skills into those required specifically, for an occupation or by a particular employer, and those which are transferable between occupations and employers. The relative importance of these different types of skill vary between occupations and employers.

This study was not aiming to test or evaluate the NVQ occupational standards for sales and marketing, although the skills described were closely related to these frameworks. In this chapter we begin by discussing each skill area in turn, starting with Key Skills, then turning to occupation specific skills, areas of knowledge required, and finally considering the softer, behavioural skills. We then consider how these skill requirements are changing, in line with the changes impacting upon the occupations detailed in Chapter 2. We conclude the chapter by identifying skills gaps within the existing workforces.

3.2 Key Skills

Key Skill areas have been identified by the National Council for Vocational Qualifications, which are considered important in every area of work, training and learning. These are communication, application of number, IT, working with others, improving own learning and performance and problem solving. An important element of Key Skills is their relationship to ideas of skill transfer between different jobs, whether through promotion, changed work organisation or a change of employer.

These Key Skills, or a looser definition of general skills, were repeatedly identified by our respondents as essential for those employed in sales and marketing roles. One employer in particular had identified competencies common to all occupations, which encompassed the Key Skills, to enable lateral moves across the company. Another listed core competencies required for all graduate recruits regardless of the professional area entered into. These were entrepreneurial drive, intellect, communication skills, external orientation when solving a problem, creativity and influencing skills. It was considered that these skills, competencies and abilities provided the raw material for individuals to be able to develop specific sales and marketing competencies.

What varied across the employers and the occupations covered for this study was the application to which these skills were put, the level of skill required and their relative importance. In the following sections we discuss each of the Key Skills areas in turn.

3.2.1 Communication skills

Oral, written, listening, as well as electronic communication skills, are essential for all occupations in sales and marketing. The abilities to present ideas succinctly and present persuasive logical arguments are considered fundamental.

Sales

Among the sales occupations, communication skills play a major role, in that sales representatives are exposed to a wide variety of people, in different roles and at different levels. Communication skills are required at all stages of the sales cycle. Sales people need to be able to introduce themselves, present the

product or service, question, listen, and bring everything together in order to close the sale.

As a financial services employer reported, the ability to present themselves is fundamental for sales people:

> *'. . . they have got to have a basic spark, enjoy interaction, be invasive, be cheeky and ask questions.'*

Sales people were described as:

> *'The life and soul of the party, great extroverts — the type who would chat to anyone at a party.'*

Presentation skills are required for most face-to-face selling roles, whether it is in a one-to-one situation or to a large group. This is in order to create impact and emphasise the benefits of the product or service being sold. Written communication skills are also important, in particular for writing sales letters in the initial stages of the sales cycle. Skill is needed to make introductory letters different enough to be noticed but to contain all the relevant information (Higham, 1997).

Listening skills, the ability to question appropriately, and empathy, are essential when relating to prospective customers for all selling roles. Sales people need to show interest, summarise the main points, question so that people will tell them things, and probe for the key issues. Understanding body language is also important in order to sense how well a sales pitch is being received, judge reactions and ascertain when the time is right to close a deal.

Communicating effectively by telephone is clearly a fundamental skill for telephone sales people. For those actively selling over the telephone the ability to present the product clearly and succinctly is vital. Those employed in telesales, taking orders, building upon orders, and arranging appointments, also need to communicate effectively over the telephone. As one respondent explained, many telesales people have a script but they also have a degree of flexibility:

> *'We would like telesales people to have the ability to steer a conversation within a structure, without customers being aware there is a set format, so that they can pick up all the relevant information needed along the way in a friendly manner.'*

Electronic communication skills are also becoming more important as selling, either by telephone or face-to-face, is increasingly complemented by e-mail.

Possession of adaptive communication skills, *ie* the ability to modify their style to that preferred by the customer, was a common theme among respondents. Previous research has also found that sales representatives who were able to modify their style of communication (*eg* expressive or analytical communication styles) to that preferred by the customer were rated by their sales managers as performing better generally (Sorohan and Petrini, 1994).

Skills are also required to communicate effectively within the company. For one employer, the ability to make the sales support system work for them was critical, in order to operate effectively. Clearly, the level and type of communication skills varies according to sales activity. Key account managers are required to communicate with senior managers. Sales managers require leadership skills and are involved in the counselling and coaching of others, for which communication skills are clearly a requirement. Communication skills are also implicit in the requirement for sales people to be able to get on with people and build relationships with them, as well as to negotiate effectively.

Marketing

For marketing roles, a range of people need to be persuaded inside and outside of the organisation, and at varying levels of authority. Again, ability to listen and empathise with other people is important, as well as the ability to express thoughts in the language of the discipline.

Highly developed oral communication skills are required in order to lead meetings, contribute to discussions to solve problems and make decisions. Again, the ability to make effective presentations is important. Communication skills are also implicit in the need to maintain business relationships, both internally and externally. For example, internally marketers need to communicate across functions and be taken seriously at board level; externally they must brief creative and media agencies effectively.

Written communication skills are necessary for the drafting of marketing plans and marketing materials, such as telemarketing scripts, direct mailings, magazines and newsletters. Marketers

also need to have an understanding of communicating effectively and creatively through other media, such as video, television, radio and exhibitions.

3.2.2 Application of number

Although not generally spontaneously referred to by our respondents, numerical aptitude and data analysis skills are clearly essential for sales people. The role of sales representatives includes the ability to use figures to negotiate profitably and to calculate orders and costings (Kent, 1994). Similarly, sales managers are required to compile accounts, analyse sales results and use sales figures to plan campaigns.

Within marketing roles our respondents talked about the ability to undertake statistical analysis, interpret market research findings, monitor and evaluate sales and income performance. It appears, then, that interpretation, understanding and extraction of the relevant facts is important.

3.2.3 Working with others and interpersonal skills

Within sales, building up and managing relationships with customers and colleagues is becoming increasingly important. As one of our case study employers reported, general interpersonal skills in order to get on with the customer and branch staff are the key to giving a good service. It is often said that people buy from people they like (Kent, 1994). As such, this employer which was selling within the construction sector outlined the need to enjoy 'banter' and 'leg pulling', share interests with the customers and maintain informal relationships, reflecting the culture of the industry. Within telesales this employer reported that although it was a bit less 'bantery', it was important that sales people had a good memory for names and voices:

> *'Our customers are not always professional enough to say who it is. Our telesales people need to recognise the voice and remember the business they are in, and say things like "hiya Fred, how did you get on with the contract?".'*

Clearly, the nature of the relationship developed with the customer depends upon the sector in which the sales person is operating. Within key account management, as customers

become more powerful and sophisticated, there is a need to strike up deals at a high level. This requires a high level of skill in maintaining relationships, as:

> *'. . . one deal to have a product stocked in Tesco's is a huge amount of business.'*

For both marketing and selling, internal working relationships need to be maintained and developed. Working collaboratively within teams and across functions was a common theme among respondents. In some of the organisations visited, the nature of working relationships is changing, with teamworking becoming more important and the 'lone wolf' image of the sales person less common. In order to be more responsive to changes in the market place, one employer had empowered large teams to manage themselves. As such:

> *'. . . working collaboratively is becoming more important. You have got to be able to think beyond the square. The ability to network internally is becoming more important.'*

'Working the system' was repeatedly referred to. Within financial sales this related to working effectively within branches to obtain leads and obtain pre- and post-sales support. Marketers also need to work effectively with external agencies, such as PR, market research and advertising agencies. In some areas, marketers also need to work in teams which transcend national boundaries.

Leadership skills, people management skills, developing colleagues and giving and receiving feedback, counselling and coaching are clearly important within sales and marketing management, and are discussed further later in this chapter. In fact, for one employer, the profile of sales mangers differed significantly from sales people:

> *'Top sales people tend to be very selfish. They are very focused and out for themselves. All they are interested in is hitting targets. Area sales managers help other people to develop, providing support and leadership.'*

3.2.4 IT skills

As outlined in Chapter 1, sales and marketing occupations were described as the 'last bastion where technology has not invaded'. However, IT skills and computer literacy were required by all our employer respondents.

Within sales, operating stock control systems and customer information databases requires computer literacy. Spreadsheets and calculating software are used to analyse figures on orders, costings and sales results. Telesales people also need IT and keyboard skills for record keeping and operating customer databases. Also, computing power, such as e-mail, is increasingly used to allow staff to work from home, rather than a centralised office, and to transmit their administration, reports and sales analyses to head office (Kent 1994).

> *'There is less and less paper-based communication. Communication within this company is first voice mail, then e-mail, then fax and lastly post. You can't cope within the company if you're not IT literate.'*

Computer skills, particularly an understanding of the opportunities offered by databases, are necessary for those working in marketing roles. The types of software packages and applications of IT respondents identified included word processing, using and constructing spreadsheets, desktop publishing for presentations, customer databases and software, project management, Mac design, and process management software, budgeting systems, performance management systems, Internet home page, and Internet applications.

3.2.5 Problem solving

The ability to solve problems, or alternatively identify solutions to meet customer requirements, is necessary for both marketing and selling occupations. Respondents repeatedly mentioned the need to make decisions, exercise initiative, initiate change and think creatively.

During the sales cycle, sales people need to be able to handle customer objections effectively, identify the true cause of the problem and provide solutions (Higham, 1997). As one respondent stated, sales people require:

> *'. . . the ability to absorb knowledge, identify need and sell to that need.'*

Those working in both field sales and telesales are also responsible for dealing with customer feedback and queries.

For brand management, respondents reported on the need to 'have vision and the ability to develop a vision'. Rather than just

marketing existing products, marketers need to strive to provide what is needed, even if the need is not articulated. Associated with this are problem-solving skills, as well as analytical skills, which are discussed in more detail below.

3.2.6 Improving own learning and performance

Taking responsibility for one's own development, training and learning opportunities is mentioned in the literature as a result of the flattening of hierarchies in organisations (Gibb, 1994). Continuing development is considered vital for sales people to remain competitive. Additionally, sales people need to keep up to date with advances in their product area and with their competitors' product developments (Kent, 1994). In the financial services sector, continuing professional development is a legal requirement for financial planning managers. Within sales and marketing roles, taking responsibility for one's own development is increasingly a feature.

> *'There is no longer the philosophy that we train you. We are less paternalistic. Rather, you identify your development needs and we will support it. The drive comes from the individual, ie: how will it help me to get where I want to get.'*

3.3 Occupation-specific skills

A range of skills have been identified which are specific to the occupations surveyed. Many of these appear to be generic across the sectors surveyed, as one respondent reported:

> *'It does not matter whether you're marketing financial services or a tin of beans, the skills are the same.'*

In the following sections we outline the skills specific to the sales and marketing occupations surveyed.

3.3.1 Customer service skills

As competition has increased and customers become more sophisticated, customer service skills and a customer orientation are increasingly important in sales roles. As one employer responded: 'in the end, we compete on service'. Companies are increasingly looking for facilities and attractions which might appeal to customers and increase sales. Previous research has

found that a customer orientation is key. Where sales people focus on customer needs, adapt selling approaches to customer requirements and base the selling approach on customer needs, the sales effectiveness is significantly higher (Piercy, 1997).

For a wholesaler interviewed for the study, customer service skills related to really basic things such as trade counter staff making eye contact with customers. Customer service skills, the ability to handle problems and queries are clearly important for telesales roles. Examples were given of sales people going that bit further to serve customers. The ability to identify the need for, and sell, add-ons was also mentioned. The introduction of a computerised stock control system for one employer was changing the approach of telephone based order takers from 'a no, we don't have it in stock response', to 'yes, we have it in another branch and we'll get it to you tomorrow'.

3.3.2 Selling skills

Selling skills are clearly fundamental to sales occupations:

> *'The best salesman in town with the worst product will always sell more than the worst salesman in town with the best'.* (Cooper, 1996)

Selling skills are closely related to communication and customer service skills They require an understanding of the processes through which people go in making a decision, about human behaviour and body language. There are a number of stages to selling, requiring a range of skills:

- contact skills, identifying potential customers, preparing for initial contact, writing warm up letters, making appointments
- identifying needs, questioning and listening, understanding the whole picture, observing
- making sales presentations
- summarising
- advising, offering options
- offering add-ons
- negotiating, price handling, agreeing the terms of the sale
- closing, identifying the right time and the right solution, ensuring commitment turns into definite business

- building long-term relationships and establishing rapport, following up customers, providing after-sales service.

Again, as customers have become more demanding selling techniques are more sophisticated. As one employer reported, sales has been upskilled:

> *'Historically, interpersonal relationships with the customer were the key. Now there is a more scientific art to how they sell. They have to strike up deals at a very high level within a huge business. The level of negotiation skills and maintaining relationship skills are very high now as the customers are much more sophisticated.'*

3.3.3 Negotiating and influencing skills

Closely allied to selling skills are negotiating skills, which are particularly important for sales people. Again, the level of negotiating skills required by employers is heightening. Respondents talked about soft influencing skills and persuasive ability, rather than a focus on closing the sale. One employer reported on the need to make the customer feel it is worth dealing with the company and putting the right image in the mind of the customer.

Negotiating and influencing skills are also clearly important in marketing roles. One respondent, representing the marketing occupation, highlighted the need for influencing skills, to ensure that marketing is taken seriously by the board. As such, 'they need to market themselves'.

3.3.4 Analytical and decision making skills

Analytical skills are key to all marketing and selling roles. As one respondent reported, sales and marketing departments are rich in data and information. It is the role of marketing and sales people to make sense of the plethora of statistics to which they have access.

> *'Marketing is not an art based on gut feeling. It's a science with numbers behind what we do.'*

Forecasting, monitoring and evaluating personal sales performance are among the NVQ competences for telesales. Sales people need to be able to identify business opportunities. One employer

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listed the ability to predict the trade environment, assess the organisation's ability to meet customer demand, and identify how to do business with the brands. Key account and sales managers need to have analytical and decision-making skills to fulfil their role in gathering and interpreting information, objective setting, developing and implementing strategies, identifying critical success factors and planning activities.

Our research suggests that analytical skills are particularly important for brand management and marketing management roles. As one respondent reported:

> *'. . . sales strategy, marketing planning and evaluation — low level marketing staff need to get these on board very quickly. They need the ability to think strategically where the market and customer is at and bring this into the organisation to add value.'*

Identifying gaps in consumer need, assessing trends, identifying the need for, and interpreting, market research were repeatedly referred to as key tasks to feed into the marketing planning process.

> *'They have got to make sense of an awful amount of data.'*

> *'They need the ability to spot a trend before it happens, intuition and the ability to understand data.'*

More specifically, respondents mentioned monitoring and analysing product, market, customer and competitor intelligence, customer satisfaction data, statistical analysis and modelling, forecasting, identifying risks and evaluating performance. For one employer, scenario techniques and the analytical skills to be able to develop, or at least interpret, scenarios was key. Strategy development was associated with higher level marketing roles.

3.3.5 Management and organisation

Managerial skills and leadership qualities are on the inventory of skills required of both sales and marketing managers. For example, one employer reported that sales managers are involved in demonstrating, coaching, resource planning and managing the performance of sales people. Regional sales managers place more emphasis on planning, target setting, project and process improvement. Sales managers are also involved in motivating and rewarding sales people.

Sales people are involved in pre- and post-sales administrative and organisational tasks. Previous research has found that the more time sales people spend on non-selling activities and sales support activities, the greater the effectiveness of the sales organisation (Piercy, 1997). It has also been reported that the more time spent in face-to-face selling activities, the more productive they are (Dunwell, 1996). Clearly, with such pressures on time, effective time management is vital. One employer highlighted the need to plan and organise personal work schedules, to get the mix of appointments and logistics right, and to ensure business efficiency.

Within marketing, project management skills are important, as well as managing external agencies.

3.3.6 Other occupation-specific skills

Other skills specific to field sales occupations included driving skills. A clean driving licence features in virtually every job specification for sales representatives (Kent, 1994).

Foreign languages are also increasingly important, with the internationalisation of markets. For one respondent, brand managers operating in Latin America need basic knowledge of Portuguese and Spanish. The more the markets extend, the more in touch brand managers and sales people need to be with international markets:

> *'They are required to have an understanding of different cultures, as translation of product names into other cultures can be absolutely disastrous.'*

> *'In Japan, the custom is to show your business card and bow. If you don't do this, you're on a loser.'*

Globalization of business has clearly had a major impact upon marketing. A trend for multi-national companies to brand their products globally has been noted in the literature (Gofton, 1996, Mazur, 1994; Moyne, 1995). There is increasing evidence of marketing staff working in international teams. As such, cross-cultural awareness and communication skills among marketing professionals is becoming ever more important, as well as a solid knowledge of international marketing operations. In the following section we further consider the areas of knowledge required of those working in sales and marketing occupations.

3.4 Areas of knowledge (understanding the context)

3.4.1 Understanding of the business environment

Understanding the customer and the market was continually referred to as crucial for sales and marketing roles. Furthermore, as customers have become more powerful, accounting for larger market shares, this was increasingly important for many of the employers surveyed. This was particularly so for a food industry employer:

> *'Historically, sales reps were on the road selling to corner shops. Account managers now have to deal with senior buyers within Tesco's which is completely different to working with the corner shop.'*

Similarly, within the pharmaceuticals sector, knowledge of how the business works is essential and is becoming increasingly complex:

> *'We were selling to 33,000 doctors. Now groups of GP's are more important than individuals. We are now selling to NHS managers, health authorities and medicals — they all have an influence and there is a myriad of them. Sales people have got to be able to work out the interaction between these groups and how they work.'*

Understanding customer behaviour and attitude to the brand were seen as fundamental for all marketing roles. Where a brand is being sold world wide, brand managers need a subtle and intimate understanding of different markets. They are also required to know about production and delivery processes, business objectives and internal structures, as well as media planning and advertising processes. For one respondent, understanding how supply chains and power structures operate was considered important, so that ideas can be translated up and down the structure.

An understanding and knowledge of legislation likely to affect the business and the legal aspects of sales and marketing are also important. Employees need to be aware of data protection issues, codes of practice, and regulations relating to times and the manner in which sales can be conducted.

3.4.2 Product knowledge

A knowledge of and interest in the product are also seen as key. This is particularly the case in technical sales:

> *'We are selling to educated people and doctors on a scientific and technical subject. Sales people have got to be confident of their ground.'*

For this reason, certain areas, such as engineering sales, recruit specialists in the field as sales people. Similarly, as the financial service sector has become more regulated, keeping up to date with the products is crucial. In many sectors, sales people are selling a wide range of products which they need to know about and keep up to date with. Within the pharmaceuticals sector, because of changes in the market place, one employer had shifted away from a 'technical sell' to a 'business sell'. They were selling on the basis of how the product ranks in terms of cost benefit. However, it had been found that technical knowledge remains important:

> *'. . . we have actually de-emphasised the technical sell so much that it is dangerous, so we are re-emphasising it. When you take your eye of the basics, you come unstuck.'*

An understanding of the brand, the ability to select ranges and the right products are increasing with the need to develop competitive advantage. As one retailer responded: 'it is war in the High Street'. Respondents, especially those referring to marketing roles, talked not only about a knowledge of the product but also an interest in and a passion for what was being sold.

> *'A passion for books, they need to eat and drink books.'*

3.4.3 Financial awareness

A financial aptitude and awareness was identified as important for both sales and marketing. Commercial and profit awareness has been identified in the literature as pertinent to sales and marketing (Gofton, 1996; Kent, 1994). As one employer explained, brand managers need to have financial skills and be aware of how financial aspects have an impact. This is becoming more important as margins are getting tighter and competition harder. This respondent stated that it is not enough to understand what engineering can do and what the customer is asking for. Brand

managers at least need to have an understanding of what the outcome is at the end of the day for the benefit of the company, and to use this as a critical success factor:

> *'. . . after all, we need to make money at the end of the day.'*

Another mentioned the importance of an awareness of finance, economics and cost structures and the impact of these. For example: 'as oil prices go down, the cost of plastic goes down.'

3.5 Personal qualities

As well as the areas of skill and knowledge detailed above, a range of personal qualities were required by our respondents:

- **Drive and energy**. Sales representatives must be able to work without supervision due to the location of their work. Enthusiasm for their work and being a 'self starter' were commonly mentioned. Respondents also talked about the need for people who were results oriented and competitive, and who strived to do more: 'We do not want a plodder' was a typical response. Ego drive is seen as a key attribute for sales people, *ie* a determination to make a sale arising not just from the financial rewards, but as a means of improving or maintaining a positive self image. Also in marketing roles, as one employer stated, individuals are competitive for results.

  > *'Return on equity is hotly contested and there is immense rivalry at a personal level.'*

- **Adaptability to change** is growing in importance, as products and business environments develop. One employer required sales and marketing staff to be less reliant on previous experience as it can often be irrelevant. One of the key roles of strategic marketing is to initiate change and be advocates for customers (Mac Hulbert and Pitt, 1996). One response was:

  > *'It is human nature to be static, but we need people who are able to live with permanent change and get benefit out of it, not to see it as something disruptive, but to use it as a driver as something positive.'*

- **Resilience and determination.** Sales was described as a stressful role which had resulted in absenteeism, financial problems, domestic problems and mental health problems among the sales force of one employer. Sales people need to be able to cope with people not wanting to see them and overcome rejection.

Furthermore, although field sales people are commonly regarded as gregarious, they actually need to be able to cope with spending a lot of time alone. Telesales also requires a large degree of determination when prospecting. Within brand management roles, a certain degree of robustness is required in initiating change and gaining understanding and support within companies.

- **Confidence** and assertiveness were also mentioned by respondents.
- **Creative and innovative** attributes were considered important for both sales and marketing roles, as well as an:
- **Ability to learn and absorb knowledge**, and in particular to learn about new products.

3.6 Changing skill requirements

The above discussion of skill needs has included a number of comments on changes in the skills required of those working in sales and marketing occupations. We have already outlined the drivers of change impacting on these occupations (see Section 2.6). Many of the organisations participating in this study felt that the impact of changes, such as intensifying competition and increasingly demanding customers, was a requirement for higher level skills, not necessarily different ones. However, a number of particular areas were identified where levels of skill were heightening, and these are detailed below. In Table 3:1 opposite, we summarise the role changes, changing skill requirements and emerging skills gaps within sales and marketing.

3.6.1 IT skills

We discussed in Chapter 2 the impact that new technology is having upon sales and marketing roles. Clearly, as computer-based systems are introduced, there is a greater demand for information analysis and IT skills.

Technological change is altering the manner in which stock is ordered and sales conducted, reducing the need for face-to-face selling in some sectors. This is resulting in an increased demand for telesales people and has upskilled telesales roles. One respondent estimated that by the year 2000, eight per cent of sales will be conducted over the Internet. As such, there is a demand for skills in utilising interactive technologies. Making

Table 3:1 Changing roles and skills required in sales and marketing

Role changes	Skill requirements	Emerging skills gaps
Key account, business development and relationship management	High level selling, negotiation, consultative, relationship management and business management skills	Level of selling and business management skills insufficient
More strategic role for marketing	Understanding of organisational dynamics, quality processes, the ability to think strategically	Lack of general calibre within marketing profession, lack of influencing skills
Team and cross functional working	Team skills	
Self managed teams, empowerment and multi-skilling within flatter structures	Ability to sell wider range of products Management, leadership and organisational skills Responsibility for own learning and performance	Greater need to be visionary and to be able to identify new opportunities
Telephone based selling	Selling skills	Customer service and pro-active selling skills deficient among telesales staff
Greater use of IT, selling through media such as the Internet	IT and analytical skills	
Growth in direct marketing	Analytical and modelling skills	Insufficient modelling skills
International focus	Cross cultural awareness, foreign languages	
Whole company customer focus	Selling, customer service, understanding of brand and company values and customer needs among all employees	Understanding of company goals and objectives

Source: IES, 1997

effective use of electronic sales management systems and customer databases is also changing skill requirements: an understanding of how the data can be used and how to use it, as well as how to operate systems is key.

3.6.2 A greater emphasis on building relationships with customers

As customers have become fewer in number, more powerful and sophisticated, customer retention has become more important. Again, it is the level of skill which is changing in both telesales and face-to-face selling, rather than new skills being required. Sales teams need to understand more about customer relationship management and to communicate with customers in a very professional way. Intensifying competition is driving up the need for customer service skills in order to satisfy customer requirements. Associated with the growth in key account and business development managers, is an increasing demand for high level negotiating, selling, consultative and business management skills.

Marketers will also need to develop skills in building relationships with customers, as partnership approaches to marketing, and strategic alliances with customers are developed. There is a need for senior players to think in terms of strategic partnerships, benchmarking, and establishing customer relations at a senior level.

3.6.3 Selling and customer service skills

As competition is increasing and customers are becoming more sophisticated and demanding, customer service, a customer orientation, and selling skills are increasingly important. The level of selling skills are heightening, and selling techniques continually developing, in order that companies can remain one step ahead of their buyers. We have already noted that in telesales there is a move towards proactive telephone-based selling, and with this there is a demand for selling skills among telesales staff. Furthermore, as whole companies become more customer focused, it is important that all employees develop selling and customer service skills. For example, branch staff within banks now require selling skills rather than just transactional processing skills.

> *'Branches are shop windows. Branch staff need to become more like sales assistants, to pick up leads, to build relationships with customers, to pick up hints, and use information available to them more carefully.'*

3.6.4 Understanding of company goals and objectives

Selling and customer service skills are not the only skills to increase in importance with the move to a company-wide customer focus. Understanding company beliefs, brand values and customer needs all have a part to play, as all employees need to be involved in the sales and marketing process.

> *'Regardless of whether employees have customer interface or not, all employees need to know how to deal with inquiries according to the company philosophy, and understand what they are trying to achieve. Sales and marketing needs to be completely integrated rather than grafted on.'*

3.6.5 Greater business acumen

With increasing world wide competition, there is a shift towards those working in sales, and in sales and key account management in particular, to become complete business professionals. Business acumen, business management skills, the ability to think strategically and set out commercial objectives are the kind of areas where higher level skills are required.

3.6.6 Collaborative working

Teamwork and integration across functions are increasingly important as the whole organisation becomes more market focused. Similarly, sales people increasingly need to function as a co-ordinated sales unit, pursuing organisation-wide objectives rather than individual ones. Satisfying customer needs and providing customer service requires greater cross-functional integration.

3.6.7 Identifying opportunities

As customers become more discerning, sales and marketing strategies need to be more innovative. Respondents talked about a growing need for sales and marketing employees to be more creative, to have greater intellectual capacity and a vision, in order to identify where the opportunities might be and target these. Marketers are increasingly involved in customising products and services for individuals, thus demanding a higher degree of creativity.

3.6.8 Analytical skills

With the introduction of new technologies, sales and marketing employees have the ability to make use of a greater amount of data. With this, the demand for analytical skills is growing. Although not specifically covered by this research, it is apparent that the growth in direct marketing is leading to an increasing demand for modelling skills.

3.6.9 Management and leadership skills

Empowerment of teams is leading to a greater demand for management and organisational skills among staff. Allied to this is a growing responsibility falling upon employees for the development of their own performance, as well as keeping up to date with change and best practice. Within call centres, self-managed teams and team-based assessments are being introduced (Arkin), again increasing the requirement for management skills among sales teams.

3.6.10 Product knowledge

The increasing demands of customers, as well as regulatory requirements within the financial services sector in particular, means that product knowledge is increasingly important for sales people in certain sectors. Also, within flatter structures, there is a requirement to be able to sell a wider range of products. Call centre staff in particular are being multi-skilled to deal with a wider range of enquiries.

We have already noted that an in-depth understanding of, and interest in, the brand are key for marketers. However, it is this product and customer understanding in combination with the ability to identify opportunities and be innovative, which employers are looking for. Marketers not only need to ensure that companies provide what the customer wants to buy but also should be able to identify the nascent needs of customers.

3.6.11 Cross-cultural awareness

The globalization of business is clearly having a major impact on marketing and selling. As markets extend there is a growing need for marketing and sales people to have a cross-cultural understanding, as well as foreign language skills.

3.7 Skills gaps within the existing workforce

Having established the skill requirements of sales and marketing roles, we now consider the extent to which the required level of competence is met by employers' existing workforces. Few of the employers had completed any systematic evaluation of skills gaps. However, there were examples of skills matrices being developed to measure existing skills and identify training requirements. Nevertheless, respondents did report on a number of areas where they felt skills were lacking. These related, in particular, to the developments in sales and marketing roles, and are discussed in turn below.

3.7.1 Marketing skills gaps

Firstly, in relation to marketing skills, there was a perception among some respondents that there was a lack of calibre in the marketing professions generally. The view was that UK companies need to be better at marketing, in order to create customer satisfaction and compete in international markets. Although no small or medium sized enterprises were included in the study, we did come across a view that there was a need to get better marketing skills into small companies, as well as the branches of major organisations.

The ability to be visionary and have the flair to identify new opportunities was the area of skills mismatch among marketing staff, related to us most frequently. For example:

> *'Identifying new opportunities, rather than just marketing what you have got.'*

In an attempt to overcome this skills gap, one employer was empowering the marketing workforce, giving them more responsibility for what they do. Another had resorted to specialist business development people to create centres of excellence.

It was reported to us that analytical skills were lacking among marketing employees and that many marketers did not enjoy working with numbers. This skill areas is becoming particularly important with the development of technologies, and techniques such as direct marketing.

A lack of influencing skills was also identified, in particular in relation to having an influence within companies:

'. . . marketers are not selling themselves, they need to be taken more seriously on the Board.'

As a result, one respondent felt that marketing was not driving strategy, and as such opportunities were missed, efforts were duplicated, and bitty, unco-ordinated campaigns were the result. This employer also felt that marketing was being carried out by too junior level staff. Analytical skills, project management skills and a logical approach to planning were other areas noted where skills were missing. For one respondent a lack of understanding of the brand, in order to strengthen brand image, was a particular issue. Another employer was of the view that staff lacked passion for their products. An enthusiasm for marketing was also seen to be lacking by some employers.

3.7.2 Sales skills gaps

Skills mismatches in sales were primarily associated with the changing demands of the jobs and the environment in which sales people now operate. As one respondent reported, the roles of key account managers and sales managers require a completely different profile to traditional sales positions. They need to be complete business professionals and:

'. . . sales people often can't or don't have the inclination to take on these skills.'

There was a view that there were never enough sales people with the right requirements. However, as competition intensifies, employers are demanding higher calibre staff and can no longer accommodate those without the right requirements:

'In the past, the culture was to keep the plodders on and let them plod, but we are less and less able to accept average performance. We need more adaptable and dynamic people . . . the requirement is more and more driven from the top for us to produce more for less, which means that we can't afford to carry passengers.'

Being very much target driven, underperforming sales staff are in danger of losing their positions. One employer in the financial services sector had, in the first instance, recruited financial sales staff from the high street banks. In the lending culture of the bank, these staff had been trained to say 'no'; a totally different approach was necessary in sales. Those that did not perform were moved out of sales:

'. . . if they don't deliver, they are kicked out.'

Customer service skill and proactive selling skills were commonly identified as the skills which were missing among sales people. One respondent noted that their telesales staff, in particular, were too passive. As a result, they were not building on orders, and sales opportunities were missed.

Essential personal qualities such as ego drive, empathy, a flexible attitude, and open mindedness, have been identified as the kind of characteristics lacking among sales people. Without these qualities, people are fundamentally unsuitable for sales work (Greenberg, 1996). One respondent saw this as a very serious mismatch. They estimated that nationally half of sales people lack such characteristics and should not be working in sales, and a quarter are selling the wrong product. The view was that the product being sold does not match the personality of the sales person. It has also been suggested that enthusiasm for the job is lacking among UK sales people:

> *'There are a lot of people who call themselves sales people but don't have a passion for it. Unless at the end of the day you can lie in your bath and say "I really like this job", you're not a sales person.'* (McGregor, 1995, p.9)

In-depth knowledge of the business environment was a major area of skills mismatch for a pharmaceutical industry employer. With the changes in how the NHS works, sales staff now lack an understanding of their customer profile. Again, the impact of this on the company was in missing sales opportunities. To overcome this shortfall, this respondent had recruited medical and health authority professionals as advisors and was creating pockets of people to become expert on the business environment. They were also using their customers to help them get up to speed and were using hospital training departments.

In this section, we have mentioned some of the responses to skill gap issues. To address these gaps, employers were both training existing employees and recruiting staff to a new set of criteria. In the next chapter we go on to consider entry into the occupations, recruitment practices and the recruitment difficulties encountered.

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3.8 Summary

Not all sales and marketing roles require the same skills to the same level. However, the main skills and abilities needed for sales and marketing occupations can be summarised under the following headings:

- **Key Skills**: which have been identified by the National Council for Vocational Qualifications as important in every area of work, training and learning: communications skills, application of number, IT skills, problem solving, and improving own learning and performance
- **occupation-specific skills**: customer service skills, selling skills, negotiating and influencing skills, analytical and decision-making skills, management skills
- **areas of knowledge**: understanding of the business environment, product knowledge and financial awareness, and
- **personal skills**: drive and energy, adaptability, resilience and determination, confidence, creativeness, and an ability to learn and absorb knowledge.

Many of the organisations participating in this study felt that the impact of changes, such as intensifying competition and increasingly demanding customers, was a requirement for higher level skills, not necessarily different ones. However, a number of particular areas were identified where levels of skill were heightening, and these are summarised below:

- IT skills
- greater emphasis on building relationships with customers in sales
- selling and customer service skills
- understanding of company goals and objectives
- greater business acumen
- collaborative working
- identifying opportunities
- analytical skills
- management and leadership skills
- product knowledge, and
- cross cultural awareness.

Respondents reported on a number of areas where they felt skills were lacking among their existing sales and marketing workforces. Within marketing, the ability to be visionary and have the flair to identify new opportunities, influencing skills, analytical and project management skills, were some of the mismatches identified. Skills gaps in sales were primarily associated with business understanding and acumen, customer service skills, proactive selling skills, and essential personal qualities, such as empathy and ego drive.

4. Resourcing

4.1 Introduction

It can be seen from earlier chapters that sales and marketing work has been going through a number of changes in recent years. As the roles develop, in association with technological advances and competitive pressures, many employers are looking for higher level skills.

In this chapter, we review trends in the way sales and marketing positions are resourced by discussing:

- the use of internal and external labour markets in resourcing sales and marketing positions
- key features of the recruitment and selection process, selection criteria and selection techniques, and
- difficulties in recruiting applicants with the required skills and abilities.

4.2 Recruitment source

The source of recruits into sales and marketing roles clearly depends upon the level and type of appointment being made. A number of our sample organisations responded that entry into the occupations takes place: 'all over the place', *ie* at all levels. There are also differences between sales and marketing in terms of the pattern of recruitment. In the following sections we consider the filling of posts through graduate entry, internal labour markets and other external appointments.

4.2.1 Graduate entry

Marketing

The proportion of graduates recruited to entry level marketing occupations has traditionally been high. However, in line with many other occupations, graduate entry is reportedly becoming more common. This is hardly surprising given that there are now two and half times as many graduates now as there were 20 years ago. The graduatisation of marketing has been noted in the literature:

> *'A few years ago, it wasn't uncommon to get into marketing without a degree. Now it is nearly impossible.'* (Gofton, 1996)

Our sample of organisations was mainly comprised of large blue-chip companies, the majority of whom recruited graduates into marketing trainee positions through the milk round. It was reported that such graduates tended to be recruited as junior brand managers or assistants. However, it appears that the number of graduates recruited each year was relatively few:

> *'A handful a year go into the graduate programme. They start as campaign officers and go out as product managers.'*

Sales

The recruitment of new or recent graduates into sales positions varies by company, but is again something which is becoming more common:

> *'Multi-nationals are nearly always graduate based and are becoming more and more so.'*

This is particularly the case in technical product areas. The growing significance of graduate recruitment was reported to be associated with the levels of skill required to deal with increasingly sophisticated and powerful customers. One employer responded that their sales people were now selling to senior buyers who would also be graduates.

> *'A lot of our existing account directors are not graduate entry, however all recruits into customer management are now recruited through the fast track scheme. This is because we are now recruiting for a different skills level.'*

The largest, most prestigious companies are able: 'to snap up the best graduates'. It was related to us that one employer always takes Oxbridge graduates, as they are seen as offering high intelligence, which can be moulded to the organisation's requirements. Graduates tend to be recruited into account executive or junior sales positions. In one organisation:

> *'. . . graduates have a rude awakening when they take on sales roles. They think it's a sales management job straight away, but in fact they are a junior sales person, on the road if they are lucky, generally grinding out calls and not using their graduate qualifications at all.'*

4.2.2 Internal labour market

Recruiting from the internal labour market was also common, particularly among those employers committed to promoting from within. In some cases there were specific policies to recruit from the internal labour market:

> *'All jobs are advertised in the first instance internally. External applicants have to be significantly better than internal ones on a specified set of criteria.'*

> *'Generalists is the culture of the business — staff move around a lot.'*

Internal appointments appear to be becoming more common as a result of flatter organisational structures. Furthermore, the literature suggests that sales may form a route into marketing. Graduates seeking marketing positions view sales work as a viable route and employers consider the experience gained extremely valuable (Walker, 1995). We found conflicting evidence from our participating employers as to the extent to which this occurs, and it appears to depend upon the sector of the employer. Some of our respondents in the business to business sector confirmed that their sales teams fed the lower levels of marketing. However, others reported that there was no more movement between these two occupations, than between any others within the organisation. In fact, one financial services employer felt the skills required for their sales and marketing roles were quite different.

Product and service knowledge was one reason given for recruiting sales people from the internal labour market. One

employer recruited warehouse and trade counter staff, who had built up an in-depth knowledge, into telesales roles:

> *'If you've got interpersonal skills and done a year in the warehouse, you should be on line for trade counter. Then you're on your way into telesales.'*

Field sales were in turn recruited from the pool of telesales people. Another recruited telesales people from secretaries within the company; they had the required knowledge of the organisation, the product knowledge and keyboard skills. For another:

> *'If they're coming in at the lower levels, they might come in as a clerk or cashier, then if they are identified as having the right skills and the right attributes for a sales person, they are developed in that direction.'*

Drawing from evidence from our respondents, it appears that sales managers are also often promoted from within.

4.2.3 External appointments

External appointments were made at all levels but cross-sectoral movement was limited, particularly at more senior levels of both sales and marketing. Within marketing, skills are viewed as transferable but the required level of understanding of the market may not be. For example:

> *'We need those that bring experience from elsewhere, but all have financial services experience, at least in their last role.'*

Key account management, was identified as an entry point into sales, but recruits need to be well experienced with the product. For sales positions, one respondent admitted:

> *'We poach and head hunt from our competitors.'*

It is clear that sales people are recruited from the same industrial sector, as buyers require that they have an understanding of the product. We did, however, come across some examples of employers recruiting marketers from industries other than their own. This was where there was little opportunity to recruit from within the industry.

> *'For brand managers we look for a brand management background, but it is generally not in this industry. There is not much of a marketing function among our competitors.'*

Some respondents also reported on an emerging trend towards recruiting those without sectoral specific experience. For instance, a pharmaceutical employer had recently recruited senior marketing managers from the fast moving consumer goods sector, thus beginning to recognise that marketing competence is transferable, whereas pharmaceutical knowledge can be learnt. Similarly, one of the financial service sector employers had begun to recruit those new into the industry into sales positions. They had recruited career changers, for example recruiting from retail sales, ex-teachers and ex-military with the required personality type.

It has been reported in the literature that some companies recruit from their own customers as a way of expanding their insights into customers' needs (Mac Hulbert and Pitt, 1996). Our research also found evidence of this occurring, particularly in the pharmaceuticals sector, where the requirements and nature of the customer base are changing.

4.2.4 Balancing the mix

Many of the respondents recruited from each of the above sources. The benefits of team mix and complementary strengths were increasingly being recognised — those that understand the business and those that bring experience from elsewhere.

> *'We like to get a balance of people both internal and external at different levels, and also a balance of selling different products. We bring in people from other organisations. There's a mix of different experience and that works really well.'*

4.3 The recruitment process

4.3.1 Selection criteria — identifiers

Skill requirements for entering sales and marketing occupations again vary depending on the nature of the job and the recruiting organisation. In the following section, we consider the importance of qualifications, personal qualities and skills, and previous experience.

Qualifications

Some of the careers information reviewed for this study gives the minimum entry requirement into trainee marketing roles as

'A' level or equivalent qualifications. However, in the light of some of some of the changes in marketing and the growing competition for a limited number of opportunities, increasingly a first degree is stipulated as the minimum entry requirement (Gofton, 1996). The literature suggests that only graduates are recruited directly into brand management (Waite, 1993), and this was something which was confirmed by the respondents of this study. Higher degrees, such as MBAs and membership of the Chartered Institute of Marketing, are often necessary for progression into marketing management.

In terms of degree subject, a technical or science subject is often required for industrial marketing positions (Kent, 1994). Indeed, a pharmaceuticals employer we interviewed recruited science graduates. The financial service sector participants required a business studies degree or a degree with a business focus, but not necessarily a marketing degree. For example:

> *'Strong 'A' levels, a relevant degree discipline — it doesn't have to be marketing but something that has a business focus where marketing has been an element. That's not an absolute requirement, but it is something that tends to happen and they're the people who are successful.'*

In contrast, a manufacturing sector employer accepted a good degree in almost any discipline. Recruits must have an understanding of what a career in marketing is about, show they have thought about the influences on customer behaviour, and a hunger to do marketing and to develop a brand, but:

> *'. . . an individual with a marketing degree has no advantage over anyone else.'*

Data on first destinations of graduates indicate that between seven and ten per cent of graduates enter sales and marketing occupations. Business administration, social sciences, languages and humanities are the most common subject areas (Universities' Statistical Record, 1994).

The qualifications required for sales positions vary considerably, depending on the nature of the job. In consumer sales, personality and experience can often be considered more important than qualifications, whereas technical sales require technical knowledge and appropriate qualifications (Waite, 1993). It has been reported in the literature that entry is common into sales with GCSE level qualifications (OPCS, 1990). Among our

respondents, this tended to be the case for telesales positions. However, as we have already noted, some of our respondents were increasingly recruiting graduates into sales roles. We came across no examples of NVQs being used as indicators in the selection process, although they had been taken up by the existing telesales force of one employer.

Personal skills and qualities

The personal qualities used as identifiers in the recruitment process are broadly in line with the personal and softer skills identified in Chapter 3.

We have already noted that one of our respondents had identified entrepreneurial drive, intellect, communication skills, being outward looking, people skills, creativity and influencing skills as the generic set of skills required for entering any of their fast track graduate programmes, regardless of discipline. The view is that with these skills and an interest in the occupation, specific skills can be trained. Previous research on entry into marketing has found that the most important criteria for employing a graduate was communication skills (Arora and Stoner, 1992). The types of attributes our respondents were looking for in graduates for marketing positions included leadership skills, self motivation and breadth of vision:

> *'We look for high intellect, leadership qualities, general management skills like self motivation, results orientated, breadth of thinking, problem solving, highly driven, flexible.'*

Increasingly, employers were also looking for people with a vision, an international understanding and 'get up and go':

> *'We're much more competitive than we ever were, so we need people who are more competitive and more driven to work within our businesses. . . . we need deliverers.'*

A flexible attitude was also becoming more important:

> *'Adaptability is becoming increasingly important. With technology, you can only be as up to date as today.'*

For sales occupations, the types of attributes which have been listed as requirements for recruitment include flexibility, open mindedness, empathy and ego drive (Greenberg, 1996), as well as resilience, an ability to communicate, an interest in people

and determination to succeed (Lancaster, 1993). Without these, specific sales skills cannot be trained. For example:

> *'In sales, we need somebody who can work on their own, who is self disciplined, with very good interpersonal skills, a very good communicator, with quite a strong personality; people who can motivate themselves and who are always striving to do more.'*

> *'It is personal skills which are critical. No matter how good your degree is, you need to be able to make a good presentation in front of an audience and be flexible.'*

Having credibility with customers, and the ability to work in a team-oriented environment, were also identified by respondents. The abilities to think strategically and understand business processes and the commercial aspects of the job are becomingly increasingly important as sales roles develop. Within call centres, telephone skills, verbal and numerical reasoning, communication skills, empathy with customers, and the ability to think quickly, are the kind of attributes employers look for.

Work experience

Track record is clearly important for recruitment into senior marketing positions. Favoured recruits into above entry level marketing positions have experience within the same area or industry, preferably with either client or competitor companies (Thomas, 1995). Stepping from one well-known company to another is often the promotional route:

> *'Career marketeers at senior management levels stay a couple of years and move on, adding to their CV and building up experience. It is the nature of the animal to keep moving, flexible, adaptable and dynamic.'*

For the recruitment into sales representative positions, work experience is an alternative to the academic route. For non-graduates, experience in other sales roles such as sales administration or any other customer-oriented work can facilitate entry. A technical background or product knowledge built up through work experience, can also provide a route in:

> *'It is rare to come into field sales with sales skills but without much knowledge about the product; only about three or four out of the 200 field sales force may have done this.'*

Work experience is also desirable in graduate applicants, for example, as one respondent reported:

'We recruit science graduates with some business experience.'

4.3.2 Selection techniques

Our respondents used a variety of selection techniques such as structured interviews, assessment centres, tests and group activities. Applicants were assessed against a stringent set of criteria. Many of the organisations, particularly when recruiting to sales positions, were also assessing the suitability of people on the job. Although not specifically referred to as work trials, probationary periods, lasting up to six months, are used to monitor aptitude, ability and performance. Sales performance is particularly measurable and assessed on an on-going basis:

'They take a package and leave, if they are under-performing.'

'They get thrown out if they are no good; performance is very measurable.'

In response to changes in the levels and range of skills required, many of the respondents were modifying their selection techniques. Skill requirements were being more closely specified and the selection tools developed. For the recruitment of field sales people, one employer had in the past used psychometric tests, but had found them not to be a good indicator. They are now becoming more rigorous in their selection procedures, using structured interviews and assessment centres where applicants must demonstrate sales ability. Another respondent reported that whereas in the past they had relied on their human resource department for recruitment, marketing was becoming increasingly involved in the process. Recruiting graduate sales people through specialist recruitment agencies was another recent development expressed to us:

'... they provide the initial training. We were sceptical at first, but the quality of people recruited in this way has been very good.'

In order to select marketing employees who are more customer responsive, it has been reported in the literature that some employers involve their customers in the selection process:

'Southwest Airlines even uses frequent fliers as part of the selection team that interviews prospective customer contact employees.' (Mac Hulbert and Pitt, 1996, p.57)

4.4 Recruitment difficulties

As recruitment has tended to be low among many of the organisations involved in the study, recruitment difficulties were not abundant. Specifically relating to the recruitment of graduates, our respondents did not report any difficulty attracting the required volume of applicants. However, in some cases the calibre of applicants was identified as a problem:

'We have far more applying than are suitable. . . . there are far more average graduates than there ever were, and we tend not to be interested in them. . . . specifically looking at graduates they fall down in the areas of leadership and decision making, and also often interpersonal skills. It's very difficult to get someone with the full range of attributes we require.'

Respondents reported on a lack of the communication skills appropriate in a business environment and little understanding of commercial life, among graduates. One employer recruiting graduates into marketing trainee positions found that:

'There is far too much theory and not enough reality. You just get theory spouted at you at interviews. Whether they can deliver, you just don't know.'

The diversification into a wider range of product and service markets, as a response to intensifying competition, has meant that employers are increasingly fishing in the same pool to recruit the highest calibre sales and marketing staff:

'In this sector, there is increasing competition to cream off the best.'

Respondents spoke about the negative image of sales as a career to enter into. This inhibits the ability of employers to recruit sales people with the necessary skills and attributes.

'Marketing has a better image than sales. Marketing is seen as quite glam, whereas sales is a bit slimy.'

We were told that the media constantly knocks sales people, by focusing on the bullying and negative aspects of sales. As such,

it is not viewed as a nice profession to enter into and is seen as a failure on the part of the individual if they do so. This view is reflected in the literature:

> *'. . . how many parents would include selling among the preferred career choices for their children? This view translates into a commonly held belief (in the UK at least) that selling is somehow less of a profession than others. Selling is seen to attract mainly those who cannot fit into any other career, whose unremittingly grasping and brash nature has condemned them to do little more than peddle business goods around the markets and whose thick skins have made them ideal candidates to handle the trickiest element in the commercial process — asking for money.'* (Evans, 1996)

A lack of a clear and known career path is thought to inhibit the ability of employers to attract new entrants into sales in particular. For instance, those employers with a career structure are able to attract the best graduates. Others have more difficulty. High rates of staff turnover has also been identified as a problem affecting sales organisations (Sales Qualifications Board, 1993). One employer had experienced difficulties recruiting sales people, as well as a high staff turnover. This was put down to the rates of pay being offered, which were higher among their competitors:

> *'Staff turnover is 17 per cent, it is highest in external sales. They leave because they perceive they will have an easier life with our competitors. Our competition picks off the best ones. Sales managers in particular get head hunted, customers are asked who is good. They offer salaries we can't match, but we get a fair number back because the grass is not as green as it looked.'*

4.5 Summary

The source of recruits into sales and marketing roles clearly depends upon the level and type of appointment being made. The proportion of graduates recruited to entry level marketing occupations has traditionally been high, and is becoming increasingly common. There is also growing significance of graduate recruitment into sales positions. This was reported to be associated with the levels of skill required to deal with increasingly sophisticated and powerful customers. Product and service knowledge was one reason given for recruiting sales people from the internal labour market. There is also some

movement between sales and marketing occupations internally. External appointments were made at all levels but cross-sectoral movement was limited, particularly at more senior levels of both sales and marketing. However, some employers are widening the pool of potential recruits to industrial sectors other than their own, and to their customers.

Qualifications, personality, work experience and track record all played an important role in the selection process. The relative importance of each depended on the level and nature of the job being entered. Our respondents used a variety of selection techniques such as structured interviews, assessment centres, tests and group activities. Applicants tend to be assessed against a stringent set of criteria. Many of the organisations, particularly when recruiting to sales positions, were also assessing the suitability of people on the job, either through a probationary period or on an on-going basis. In response to changes in the levels and range of skills required, skill requirements were being more closely specified and selection tools developed.

As recruitment tended to be low among participant organisations, recruitment difficulties did not appear to be causing major problems. Employers had no difficulty attracting the required volume of graduate applicants. However, leadership, decision making, interpersonal and communication skills, were some of the skill areas identified as lacking among graduate recruits. The image of sales work was viewed as something which restricted the ability of employers to attract the highest calibre recruits.

5. Training and Development

5.1 Introduction

Employers in Britain are frequently criticised for not providing sufficient training and development opportunities for their employees (Keep, 1989; 1995; Rainbird, 1990; 1994; Ashton and Felstead, 1995). Indeed, Britain has frequently come near the bottom of any international training and qualification level comparisons. Some more recent research (for example, Felstead and Green, 1993; Ashton and Felstead, 1995) is thought to have identified the beginnings of a break with such traditions in training, within some industrial sectors in Britain at least. However, it is hard to say with any real certainty how widespread this is, or indeed whether it is a trend that is likely to continue. The situation is confused by the fact that data regarding training are not collected regularly in a systematic fashion and are often hard to quantify, particularly if on-the-job training is included. In addition, any variations in the extent of training identified may only be due to methodological differences in how the data have been collected or variations in what employers and employees actually perceive to be training (Rigg, 1989; Campanelli and Channell, 1994; Rainbird, 1994).

The amount of training going on in sales is usually considered among the highest in any occupational analysis (Sales Qualifications Board, 1993). This chapter explores the type and amount of training delivered in the organisations for those employed in sales and marketing positions. It starts by considering the nature of induction and initial training for new recruits, and then moves on to examine what forms of continuing and on-going training is provided once this initial training has been completed. In the final section, career development and progression within the chain of occupations surveyed are discussed.

5.2 Training of new recruits

5.2.1 Induction

All the large organisations in this survey provided induction training for their new recruits. Typically, induction programmes would include an introduction to the company, its structure, business approach, values and mission, familiarisation with the branch or department in which the recruit was working, contract, terms and conditions, lines of communication and responsibility, any rules and regulations and information about job routes, the nature and type of training to be provided, methods of monitoring and assessment.

In the following two sections, we consider the initial training provided to those recruited to entry level positions in sales, and graduate trainee programmes for sales and marketing.

5.2.2 Initial sales training

Rather than standing alone, induction is often incorporated into a wider initial training programme. As such, it is not always clear to a new recruit where one ended and the other started. In general terms, initial training for new sales recruits covers an introduction to the industry and the company's internal systems and processes, selling and customer service skills, and product knowledge.

> *'The person who is new to selling must be oriented to the business of selling and given insights into some of its techniques and requirements, regardless of their inherent abilities.'* (Greenberg, 1986)

The precise content of initial sales training clearly varies according to the amount of experience the recruit has, and the nature and grade of the job entered. For example, the product knowledge training required varies according to the background of the recruit and the sector of the employer. For one employer training new telesales staff, initial sales training lasted a few weeks. This training included five-day courses in tele-skills, communication and customer service skills. For each course, individual objectives were set and action plans drawn up. The training was delivered externally. For another employer surveyed, the initial training programme, for financial sales

people who were new to the industry, was of three months' duration. This was broadly classroom based and covered generic financial planning skills. The first week was spent learning about the bank, how systems work within branches, and developing generic industry knowledge. The following two weeks were devoted to specific product knowledge and processes, on which the trainee would be tested. This would be followed by an application phase. Sales training would begin with role plays to demonstrate the complete role of an advisor. Going out into the field would begin with 100 per cent supervision by the sales manager, with a gradual weaning off over three months.

5.2.3 Graduate trainee programmes

Many of the large employers visited recruited graduates to trainee programmes for both sales and marketing positions, which lasted up to four years. These training programmes are generally part of the employers' management trainee schemes. They are designed to build up business and professional skills, involving both general and occupation-specific courses. In marketing, the types of skill areas covered include generic management as well as marketing, communications, and market research. In some case, these programmes lead to professional qualifications, such as membership of the Chartered Institute of Marketing. However, some of the employers visited did not insist upon this as it is not a licence to practice. It is apparent that certain trainee programmes with particular employers are especially highly regarded and competition to be recruited onto such programmes is fierce. Respondents reported that the most popular trainee programmes were those where there was a clear career structure within the company. This was a particular issue in sales, where such a clear structure can often be lacking.

> *'These companies have the best image, and sales and marketing people are very image-oriented people.'*

One employer surveyed was developing a specific graduate trainee programme for marketing which would run alongside their management trainee entry. The aim is that trainees should gain experience of both sales and marketing functions, with the overall objective of increasing the effectiveness of the company's marketing strategy.

5.3 On-going training

5.3.1 Content of training

Sales

Employers invest a substantial amount in sales training. The Sales Qualifications Board have estimated that the average spent per capita per year on sales training is higher than in industry generally. In 1993, it was reported that £866 was spent per sales person per year, and that in other occupations this figure could be as low as £100 per year (Sales Qualifications Board, 1993). This report found that employers recognise the link between investment in training for their sales force and improved productivity. Increased confidence and motivation, and retention of sales staff, were identified as the key benefits of investing in sales training.

Within sales, on-going training covers a number of areas, including:

- **selling skills:** covering things like negotiation skills, customer service, development of proposals and presentation skills for more experienced sales people. As new methods of selling are developed, employers invest in sales training.
- **product knowledge:** there is a continuing need in many businesses for on-going product training. Training must precede the introduction of new products onto the market place. As rapid change is the norm, product training is particularly important (Greenberg, 1996). For example, in regulated financial sales, product knowledge is continually updated and tested.
- **New technologies:** for example training in the use of electronic territory management systems or computerised stock control systems, and
- **sales and project management:** for key account and sales managers, in particular.

Marketing

On-going marketing training covered the full range of marketing skills, including generic IT, management and project management skills, as well as marketing specialisms such as product strategy, marketing communications, direct marketing and market research.

5.3.2 Mode of training

Respondents used a mixture of methods to deliver training:

- internally through in-house training departments and in-house workshops
- open learning materials, in-house libraries of training resources, including videos, manuals, desktop presenters and courses
- on the job, *eg* field coaching of sales people
- internal exchange of experience, for example the sharing of ideas through motivation days, study groups and job shadowing, and
- externally through training suppliers, open learning programmes, or the attendance of external conferences, seminars and conferences.

Previous research has shown that training programmes for sales people will include both in-house and external training.

> *'It would be incorrect to suggest that all in-house training is induction training only. . . . a significant proportion of sales people's in-house training is over and above the initial introductory and product knowledge type training which generally takes place in the first few weeks with the company.'* (Sales Qualifications Board, 1993)

For example, one of the employers delivered customer service skills training for telesales staff through its internal training department. Selling skills training for field sales people was provided through field coaching with sales managers. Sales trainers go out with sales staff in order to monitor the development of selling skills.

> *'Sales managers may spend at least one day per week visiting and observing sales representatives. They may well drop in on a sales visit at the last minute, without warning.'*

Some employers had developed courses and open learning materials in order to continuously train individuals and teams to meet the ever changing demands of customers. However, externally delivered training is often more prevalent and a high proportion of employers allow sales people time off to attend external courses (Sales Qualifications Board, 1993). One respondent reported that selling skills training was delivered internally, whereas things like negotiation skills and presentation skills training was provided by external suppliers. Similarly,

training for new computer systems was often supplied by external consultants.

Respondents reported that marketing training was provided through a variety of methods. Employers reported that generic management and project management skills were delivered through in-house training facilities, whereas in many cases training in marketing specialisms, such as direct marketing, was provided by external suppliers. Software and PC literacy training was delivered through a mixture of in-house and external methods. Employees were also expected to keep up to date with general marketing and sales issues through the press. Marketers are required to keep up to date with change and best practice, and take responsibility for their own development.

5.3.3 Identification of training need

All of the large employers surveyed had formal appraisal systems. Individual training and development needs were identified through regular performance reviews. However, as we noted in Chapter 3, in many cases employers reported they were moving away from a paternalistic approach to identifying training needs. Instead, the drive came from the individual. Within marketing, one employer had developed a marketing skills audit which:

- breaks down marketing into a number of general areas and specific tasks
- indicates the range of likely technical skills and knowledge needed to complete each task
- provides an indication of the relevance of task elements to each particular role, and
- provides indicators so that an individual's competence to fulfil their role can be assessed with a line manager.

Identification of training need also came about through things like the launch of new products or legislative changes. One employer which was introducing NVQs for their telesales force, had detected gaps in selling and customer service skills among staff, as a result of listening in on telesales calls. Five-day courses had been introduced to plug the skills gaps in these areas.

Another method which has been used to assess training requirements among sales people is through profiling successful

employees, in order to evaluate what they do, how they think and what makes them do the things that make them successful. Feedback from customers can also be used to identify training needs (Allan, 1996).

5.3.4 Changes in the nature and delivery of training

As outlined in previous chapters, the changing nature and increasing sophistication of customers is impacting upon the skills required of sales and marketing employees. Associated with this, other studies have reported on changing methods of delivering training and development. For example, greater use is being made of customers as speakers and facilitators in the training process of marketers (Mac Hulbert and Pitt, 1996). This was confirmed by a respondent in the pharmaceuticals sector. Hospital training departments were being used to bring employees up to speed on changes within the health service. Exposure of marketing trainees to customer input through a period in a sales department or within market research has also been noted in the literature. Again, this was authenticated by our own research. Action learning sets are another method used to break down barriers between learning and action, and between firm and customer (Mac Hulbert and Pitt, 1996).

Previous studies have noted that there is a recognition among employers that sales people need to be more highly trained, as customers become more sophisticated and disciplined in their buying approaches. Changing customer and supplier relationships require salespeople to be continuously trained and developed to meet the new needs of the market place (Sales Qualifications Board, 1993). It has been reported that as the role of salesforces change, employers expect to increase their investment in training.

> *'Customers will continue to force their suppliers to evolve. Many suppliers will have to invest substantially in training, organisational reforms and knowledge building if they are to remain one step ahead of their customers and competitors.'* (Abberton Associates, 1991)

An example of the changing nature and increasing demand for sales training is the development of a training programme by an employer of vehicle sales staff in car dealerships. The three-year course is delivered by a university through distance learning and residential courses. This leads to a BSc in vehicle sales

management. The rationale for this is the increasing demand for selling skills, a requirement to raise the standard of professionalism, and ultimately to raise the profile of the company. Growing opportunities to move into sales management was another reason for developing the course.

> *'The skill requirements for the job are increasing as dealerships expand and there is room for progression into management. The requirement for selling skills and the level of skill is rising all the time. New techniques are being developed as customers become more demanding.'*

Whereas vehicle manufacturers have fast track graduate entry schemes, dealerships do not and traditionally dealerships do not recruit graduates. Skills learnt on the course include theoretical business solutions using academic models, as well as practical things like time management, personal effectiveness, marketing, finance and business studies, all of which is company specific.

It has been reported in the literature that for training to be successful it needs to be flexible. Different people have different training needs and are suited to differed modes of learning:

> *'There is no single best way to sell to which all can conform. There are no perfect formulae, no magic words that apply to all men and women equally. . . . training should be seen as an approach to help sales people maximise their own abilities in their own way.'* (Greenberg, 1996)

This requires both an evaluation of the training needs of individuals, and flexible approaches to training in the classroom, to suit individual learning requirements. Training programmes are being developed which cater for different learning styles, and part-time as well as full-time employees. In some cases, employers are developing in-house libraries of training resources and open learning materials, to provide a more flexible approach to training (Allan, 1996).

Our research findings indicate that the larger firms surveyed are recognising the need to invest more, and developing methods of delivering training (Sales Qualifications Board, 1993). However, the literature still suggests that UK employers are still not spending enough on training. The point is made that the United States, for instance, exceeds the UK in the amount of training provided, and this contributes to the higher status of the occupation in America.

"Although UK companies spend more on training their salespeople than their other staff, nevertheless we only have to compare this with their US counterparts to realise that we are still not spending enough. . . . It is also interesting to note that one of the six key factors of the prestigious US "Best Sales Force" competition to determine a top salesforce is the quality of training."
(Sales Qualifications Board, 1993)

5.4 The accreditation of training

Sales

The professional sales institutes recognise that despite the significant amount of training going on, there has been a lack of a nationally recognised professional qualification in the sales area. Many of our respondents reported that selling is undervalued as a profession. Few sales people study for professional qualifications, which is far from ideal given that organisations have primary dependence on their salesforces (Cooper, 1996).

Sales NVQs are now being taken up by employers and are beginning to take effect. It was related to us that over 3,000 individuals have completed, or are in the process of working towards, sales NVQs. One of the employers visited was using NVQ Level 2 in both sales and telesales. The reason for using NVQs was to address skills gaps in the areas of selling and customer services. A secondary driver was benevolence: many of the staff employed had no previous qualifications. The employer also felt that the use of NVQs might go some way to reducing staff turnover.

Professional sales qualifications are being developed by the Institute for Sales and Marketing Management, and City and Guilds. Certified schemes are available in operational sales and sales management. Career development paths are also being developed by the professional bodies, in order to raise the profile of selling, and facilitate a strategic career path for sales people.

Marketing

In contrast to sales, a range of professional marketing qualifications are offered by the professional institutes. The Chartered Institute of Marketing (CIM), for instance, offers postgraduate diplomas, advanced certificates and certificates in marketing.

Qualifications are also offered by other bodies such as the Market Research Society, the Institute of Direct Marketing, the Communications, Advertising and Marketing Foundation, and the Chartered Institute of Purchasing and Supply.

Many of our respondents reported that their employees have or are working towards CIM qualifications or MBAs, but they do not necessarily become members of the professional bodies. A common response was that they are not a licence to practice and that:

> *'CIM qualifications train someone to be technically proficient, but you also need influencing and negotiating skills.'*

The take-up of NVQs is much lower in marketing than in sales. This was thought to be due to the marketing qualifications already offered by the professional institutes:

> *'If I was a marketer and I had done the CIM diploma, I wouldn't do an NVQ on top.'*

Respondents also reported that employers are not pushing marketing NVQs. The qualifications are criticised for being too diverse and for working on a standard or average commonality, so that the standard is too low.

5.5 Career progression

The research findings indicate that there is a lack of a clear career structure in sales and marketing occupations, and there is no typical career route. This is particularly the case in sales. A general lack of understanding of sales as a career among new entrants to the occupations was viewed by our respondents as a particular issue. This can affect the ability of employers to attract high calibre recruits. Lack of knowledge about careers can also present difficulties for individuals, who are expected to take responsibility for their own development and learning.

Sales

Career paths vary with the sector of the employer and the position entered. There are clear differences between fast moving consumer goods (FMCG) companies and those selling from business to business. Within the business to business sector, the

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marketing and selling functions are merging, with the development of the key account and business development management roles. In contrast, in the FMCG sector, marketing and selling remain distinct disciplines. As such, a potential career route described to us in business to business selling was: sales person, to regional sales manager, to key account manager, followed by progression into senior management positions within commercial business development or marketing. This move into marketing does not occur in the FMCG sector, where the progression is more likely to be: junior sales, to sales supervisor, to branch manager, to area manager, to regional manager, and finally to sales director.

There is very little movement of sales people between industrial sectors. This is due to a requirement of buyers that sales people understand the product they are selling. It was reported to us that if sales people do move across sectors, they would do so in the first two to three years of their career.

In general, it appears that the scope for career progression within telesales is limited. As one respondent related to us:

'Telesales is a job, not a career.'

There may, however, be more opportunities for telesales people to pursue a career within telesales, with the introduction of self-managed teams. Other routes out of telesales might be into customer services, complaints handling and quality monitoring.

Respondents reported that although the potential for progression from teleselling into field sales is limited, it is starting to happen. For one of the employers surveyed, movement from telesales into field sales was a typical career route, and then onto branch management. However, we found no evidence of moving into marketing from telesales positions. Furthermore, the reduction in the numbers employed in field sales, together with the expansion of telesales, can hinder the scope for progression out of telesales.

A further issue arising from the reduction of field salesforces is that there are also likely to be fewer promotional opportunities for sales people to manage a team, particularly in the FMCG sector. In contrast, in the business-to-business sector, a whole range of new positions such as key account management, business development management, and relationship management are providing very good career opportunities for sales people. These roles require negotiating, consultative and selling

skills, and competences. However, there was some concern among respondents as to whether existing sales workforces have the necessary skills or the desire to move into these positions.

Graduate marketing and sales trainees

From a graduate entry position, recruits may aspire to a number of different job opportunities, and as already noted in the business to business sector, there tends to be movement between the marketing and selling disciplines. Two large business to business sector employers described typical career routes for their graduate recruits:

> *'Graduate recruits that come into brand management move up the structure by acquiring bigger brands. They move around building up a portfolio of expertise, they move into different operating companies and also spend a bit of time in sales as part of a planned programme of development and training. Marketing and sales trainees tend to move in and out of each other's functions. . . . marketing and sales work hand in hand, they must have an understanding of each other.'*

> *'A typical route is three or four years as a sales rep., spend a couple of years with marketing managers, then back into sales support and end up as a marketing manager.'*

Some companies recruit graduates as generic management trainees without a specific job role in mind. For instance, one employer recruited generalists who move around the company. 'Fast trackers' spend a while in marketing and sales to gain experience for six months or so and then move on.

Marketing

In order to progress to more senior marketing positions, respondents indicated that stepping from one well-known company to another was a possible promotional route. However, just how transferable marketing skills are from one marketing position to another at this level is open to question. There appears to be variation among employers as to the extent to which they are open to appointing marketing professionals with experience in sectors other than their own. In one of the banks surveyed, career marketers at senior management levels clearly used this promotional route:

'Those with the skills move around. We envisage that graduates on the marketing training programme will stay five to ten years, and then go into other companies or move internally.'

Another typical career route was movement out of the marketing departments of large employers and into agencies, in fields such as advertising, direct marketing and market research, and then possibly returning to a major employer. Such agencies are therefore very much a part of the occupational chain, and marketing skills are transferable into the positions they offer.

The possibility of marketing departments being a source of supply of general management personnel was raised by respondents. The literature suggests that marketing skills are fundamental to all top level management jobs (De Jonquières and Summers, 1993). However, our respondents intimated that although some marketing people do become managing directors of large companies, 'not as many as should do'. Even the senior marketing positions of one employer were not filled by people with a marketing background. A further issue raised was that the hierarchy of marketing positions narrows very quickly, thus in some cases reducing opportunities for promotion.

5.6 Summary

The nature and content of training clearly varies with the occupations included in this research. In the sales area, there appears to be a substantial amount of investment in training, both initially and on an on-going basis. Sales training covers a number of areas such as selling skills, product knowledge and new technologies which are continually updated, in line with changes in the market place. The large employers surveyed provided fast track training programmes for their graduate entrants. These schemes covered both generic management skills, as well as specific marketing and selling skills. Respondents used a full range of methods to deliver training, depending upon the nature of the training provided. These included in-house training departments, open learning materials, on-the-job coaching, internal exchange of experience, and external training suppliers.

All respondents had formal appraisal systems and individual training needs were identified through regular performance reviews. Identification of training needs also came about through things like skills audits, as a response to regulatory or product

changes, or arising from feedback from customers. Some employers were adapting to the changes impacting upon marketing and selling by developing new approaches to training. These included involving customers in the training process and providing more flexible training programmes to suit different learning styles and needs.

Within sales, the lack of a nationally recognised professional qualification was clearly a concern among respondents. As a result, many of our respondents felt that selling was undervalued as a profession. However, sales NVQs do seem to be going some way to address this issue and are beginning to be used by employers more widely. Sales qualifications are also being developed by the professional sales bodies. In contrast to sales, a range of marketing qualifications are offered by the professional institutes, but our research findings suggest that employers are generally not pushing NVQs in marketing.

Career routes vary according to sector. Within the fast moving consumer goods sector there is little movement between selling and marketing. However, within the business to business sector, selling and marketing are beginning to merge. This is opening up opportunities for sales people to move into roles such as key account, business development and relationship management. Within marketing, typical promotional routes include stepping from one well-known employer to another, although it appears that marketers tend to remain in the same sector. Another common route is to move into marketing, advertising, and direct marketing agencies.

In relation to career progression, a number of issues were raised by respondents. Firstly, the lack of a structured career path for sales people was seen as inhibiting the ability of employers to attract high calibre entrants. Opportunities for those working in telesales roles to move into face-to-face sales are being limited both by the expansion of telesales and the reduction of field sales. Telesales tends not to be viewed as a career job. However, there are opportunities to move on from telesales into areas such as complaints handling and customer services. On the marketing side, some respondents were concerned about the lack of marketers who were promoted into senior management positions.

6. Issues and Implications of the Research

6.1 Introduction

It is clear that a number of important changes are occurring which are impacting upon sales and marketing occupations and their skill requirements. Roles within these occupations are changing and are increasingly demanding higher level skills. Employers place a growing emphasis on the need for relationship building with customers. With intensifying competition, employers need to remain one step ahead of their customers, in terms of identifying new opportunities. New technologies will also continue to have an impact, and sellers and marketers need to be geared up to take full advantage of these. Cross-functional working, team skills, as well as the globalization of markets requiring cross-cultural awareness, are other emerging trends. Marketing and sales people having the skills to meet these challenges is critical, in that effective sales and marketing has a major influence upon the competitiveness of UK businesses.

This research has raised some issues which are discussed below. However, the lack of previous research and the small size of this survey means that it is difficult to draw any firm conclusions at this stage.

6.2 Selling — a key skill

The study has demonstrated the importance of selling skills. There is an increasing demand for all employees to be customer focused and to involve all employees in the sales and marketing process. Employers are recognising the need to develop a marketing culture within organisations. This is a trend which is occurring in all sectors, both manufacturing and services, public and private sectors. Furthermore, a whole range of positions without 'selling' in the job title are emerging, such as business

development managers and relationship managers, but for which selling skills are a fundamental requirement. For this reason, selling and customer service skills are becoming a major skill area for all employees. Training and education therefore needs to be linked to selling and employers are looking for ways to graft selling onto all roles and functions.

6.3 Obtaining the right people

In relation to resourcing sales and marketing positions, the research has raised a number of issues.

Firstly, there seems to be some disagreement among employers about the relative importance of product knowledge, and personal qualities and competencies. Some employ technical graduates into sales positions as internals, because they know the product. They promote internals from one sort of job, for example telesales, to another, for example relationship marketing, presumably because they have product and customer knowledge. Yet many organisations insist that various soft skills are what matters, and these are generalisable across products, organisations, and in some cases even sectors. Neither of these sets of skills is absolutely suitable for the new types of jobs and roles which are emerging. There appears to be a need for a combination of the two types, with a demand for intellect, strategic thinking, understanding of processes and the ability to communicate in a very professional way. The research suggests that employers are having difficulty attracting the required calibre of recruit with the necessary combination of skills into sales and marketing.

Employers question the ability of universities to supply these types and combinations of skills. There is a perceived issue with graduates, even with a marketing degree. Employers call for business-related skills, such as communication skills, whatever the discipline. It is important that education providers understand the needs of business to ensure that the training they provide is compatible with those needs. Education business links and student placements in business, in particular, was a recommendation made by respondents, to close the loop between industry and education.

The research also raises some issues relating to the source of recruits. Employers are increasingly concentrating upon recruiting graduates into more senior sales and marketing roles.

Not only do employers use graduates as a proxy for selection for certain skills, but prestigious universities as proxy for super skills. What is done by the use of these two proxies is believing that university attendance is a function of potential. This provides savings in recruitment cost, but employers may be missing out on talent they would not have to compete for in the same ways as they have to compete for Oxbridge graduates. Perhaps more importantly, they do not get the same mix in their sales/marketing force as their customer base.

6.4 Training

The research has found that a significant amount of investment is made by employers into sales training, in comparison with other occupations. However, there is a recognition that UK employers still have some way to go in terms of both the quality and amount of sales and marketing training provided. In comparison with the US, UK sales forces are seen as lacking in terms of their competence and professionalism. Sales is generally not held in high esteem in this country. For this reason, there continues to be a call for a nationally recognised qualification to raise the status of the occupation, although the introduction of NVQs has gone some way to address this issue.

With the growth of employment within agencies in sales and marketing, as well as an increase in sub-contracting, there is a question of where the training takes place. Also, with the growth in self employment, it is important that selling skills are instilled within small and medium sized enterprises where, for instance, owner managers are responsible for sales and marketing. This shift towards small specialist suppliers and increasing self employment has occurred in other sectors, principally construction. Research in the construction sector has shown that such fragmentation has led to reduced investment in training followed by skills shortages. It appears, therefore, that within sales and marketing, there is a danger of this lack of investment in training occurring. This, again, has important implications for the competitiveness of business.

6.5 Career paths

Our respondents raised a number of issues regarding career routes within sales and marketing occupations:

Career structures

There is concern that a lack of a clear and known career structure is impeding the ability of employers to attract the required calibre of employees. It was reported to us that it is difficult to find out about sales and marketing, and possible routes of progression at the start of a career. This lack of knowledge can also inhibit the ability of individuals to plan their careers throughout their working lives. The professional sales bodies are beginning to develop professional qualifications. However, the research suggests that there remains a need to develop a career strategy, and make the career options within sales and marketing more widely known.

Senior marketers

There is also concern that senior people with responsibility for marketing commonly do not have a marketing background. Furthermore, some respondents felt that marketers are poorly represented at director level within companies. This can have serious implications for the marketing strategy of businesses. Lack of skills, together with an insufficient structure to career paths, were identified as contributory factors to these problems. The splitting off of specialist marketing functions into agencies also has implications for the appointment of marketers with high level skills to senior management positions.

Telesales

Important trends are occurring within telesales. To some extent, there is a move away from production line, highly controlled environments for order taking, towards empowerment and multi-skilling, and in some cases pro-active telephone based selling. These changes imply a higher level of skill is being demanded for telesales roles. However, a lack of development opportunities available to telesales staff may hinder the ability of employers to attract individuals with the required skills.

6.6 Further research

This report has gone some way in identifying the skill requirements for sales and marketing occupations. However, it is clear that there is a need for further research to unpack some

of the issues raised and draw further conclusions. In particular, a survey of individuals working within sales and marketing, in all types of organisations, might shed light on some of the issues raised, in particular in relation to:

- the changing nature of sales and marketing occupations, and issues affecting these occupations
- skills they lack to perform effectively, and
- routes into the occupation, and career development.

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